

FY 2022 Vermont Hospital Budgets Board Deliberations

September 1, 3, 13, 15, 2021

GMCB Health System Finance Team

FY2022 Hospital Budgets Schedule

July 1st

Submissions

July 28th

Preliminary Budget &
Exemption Review

Hearings Week
of Aug 16th

SVMC, BMH, NCH,
RRMC, and NVRH

Hearings Week
of Aug 23rd

MAHHC, CH, UVMHN,
GCH, and SH

Sept. 1st

Deliberations
Sept 1st, 3rd, 8th,
13th, and 15th

Sept. 15th

Board Votes Deadline

Oct 1st

Budget Orders Sent

Deliberation & Public Comment



- Ten public comments have been received to date which includes the three mentioned in the Preliminary Budget Review presentation from July 28, 2021.
- The public comment period for the FY2022 hospital budget process was officially opened on July 28, 2021 and closed on September 1, 2021.
- GMCB will accept public comment at any time.

Link to make public comment:

<https://gmcboard.vermont.gov/board/comment>

Staff Considerations

GMCB staff recommends considering the following:

- Adequacy of NPR/FPP growth rate requests with an allowance for COVID-19 vaccine and testing revenues
- Hospital's overall financial health, including operating margin and key financial indicators and overall impact of COVID-19
- Potential financial uncertainty due to COVID-19
- Hospital's capital and infrastructure needs (revival of postponed projects)
- Participation in the All-Payer Model and delivery system reform efforts
- Impact of change in charge on commercial rate payers
- Provider transfer and accounting adjustments and adequately justified requests
- Hospital-specific risks and opportunities
- Utilization
- Cost savings initiatives

Staff Considerations (cont'd)

GMCB staff recommends considering the following relating to the challenges of budgeting and projecting during the pandemic:

- FY2021 budgets were very difficult to create with COVID-19's impact on FY2020 actual activity which, in many cases, is causing budget-to-budget growth on a hospital-by-hospital basis to fluctuate wildly.
- FY2022 budgets have also been very difficult to create due to COVID-19's impact on fiscal Q1 and Q2 activity and FY20 actual results, thus making the base for FY22 budgets challenging.
- Current projections are extremely fluid in nature, changing month-to-month with the rise of COVID-19 variants, slowing vaccine administration, and the ebbs and flows of utilization.
- Remaining COVID relief fund balances (not including MCR advances) and PPP loans are susceptible to Federal Government guidance and timeframe changes.

Common Budgeting Themes

- 340B revenue risk and other operating revenue
- Renewed strategic plans and budgets
- ED/ER volumes not coming back
- Staffing challenges, including burnout
- Capital expenditures are jump started
- Increased inflationary factors
- Use of FY2019 for utilization assumptions for FY2022 budgets
- FPP is not the only form of value-based payments (other reform payments = \$5.2 million system-wide)
- Socio-economic challenges which reduce ability to effectively recruit

All Vermont Community Hospitals						
Fiscal Year 2022 Submitted Budget						
INCOME STATEMENT	2019 A	2020 A	2021 B	2021 PROJ	2022 B	2021 B - 2022 B
Revenues						
Gross Patient Care Revenue	\$5,620,723,474	\$5,331,936,653	\$6,226,437,733	\$6,041,489,721	\$6,684,428,353	7.4%
Disproportionate Share Payments	\$22,721,686	\$22,730,632	\$22,609,651	\$22,834,516	\$22,539,981	-0.3%
Graduate Medical Education (UVMHC)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	0.0%
Bad Debt	-\$85,153,848	-\$81,505,161	-\$93,456,591	-\$76,034,691	-\$91,869,505	-1.7%
Free Care	-\$45,031,467	-\$41,654,999	-\$53,330,044	-\$37,173,306	-\$50,709,265	-4.9%
Deductions from Revenue	-\$3,219,853,356	-\$3,153,733,616	-\$3,731,267,215	-\$3,627,688,522	-\$3,986,097,533	6.8%
Net Patient Care Revenue	\$2,323,406,490	\$2,107,773,509	\$2,400,993,534	\$2,353,427,718	\$2,608,292,031	8.6%
Fixed Prospective Payments	\$273,200,271	\$333,548,197	\$407,871,730	\$374,835,108	\$409,053,373	0.3%
Reserves	-\$11,777,958	-\$18,273,807	-\$24,015,790	-\$45,581,431	-\$54,416,325	126.6%
Other Reform Payments	\$3,595,177	\$4,474,071	\$5,107,102	\$6,434,965	\$5,165,745	1.1%
Fixed Prospective Payments and Reserves	\$265,017,490	\$319,748,461	\$388,963,042	\$335,688,642	\$359,802,794	-7.5%
Net Patient Care Rev & Fixed Payments &	\$2,588,423,980	\$2,427,521,969	\$2,789,956,577	\$2,689,116,360	\$2,968,094,825	6.4%
340B Retail Pharmacy Programs	\$64,349,559	\$73,885,619	\$44,652,696	\$63,409,938	\$70,455,084	57.8%
COVID-19 Stimulus and Other Grant	\$0	\$191,220,346	\$597,400	\$106,660,087	\$200,000	-66.5%
Specialty Pharmacy	\$62,396,333	\$87,019,466	\$186,051,743	\$109,979,525	\$119,677,224	-35.7%
Outpatient Pharmacy Revenue	\$17,485,295	\$17,017,909	\$0	\$13,904,786	\$9,968,294	#DIV/0!
Cafeteria & Parking	\$13,402,043	\$10,196,194	\$3,445,240	\$8,693,614	\$11,667,931	238.7%
Grant Income	\$16,227,596	\$25,272,618	\$10,524,246	\$19,662,440	\$18,579,120	76.5%
Reference Lab Revenue	\$2,699,682	\$2,175,883	\$2,339,996	\$2,546,299	\$2,469,377	5.5%
Meaningful Use	\$495,321	\$133,531	\$0	\$74,293	\$0	#DIV/0!
Other	\$50,282,189	\$50,163,330	\$22,612,103	\$76,707,916	\$63,968,148	182.9%
Other Operating Revenue	\$227,338,017	\$457,084,896	\$270,223,423	\$401,638,898	\$296,985,178	9.9%
Total Operating Revenue	\$2,815,761,997	\$2,884,606,865	\$3,060,180,000	\$3,090,755,258	\$3,265,080,003	6.7%
Operating Expenses						
Salaries Non MD, Fringe Benefits Non MD,						
Physician Fees & Salaries, Fringe Benefits	\$1,622,232,743	\$1,683,562,320	\$1,757,217,889	\$1,771,621,562	\$1,862,575,218	6.0%
Health Care Provider Tax	\$145,715,237	\$143,444,115	\$156,048,633	\$152,833,527	\$167,789,394	7.5%
Depreciation Amortization	\$110,247,676	\$123,291,690	\$122,612,678	\$119,592,526	\$128,639,736	4.9%
Interest - Short Term, Interest - Long						
Term	\$20,983,214	\$23,671,480	\$23,954,400	\$21,984,077	\$22,548,819	-5.9%
ACO Dues	\$0	\$8,658,611	\$1,882,676	\$6,041,319	\$7,524,177	299.7%
Medical/Surgical Drugs and Supplies	\$264,353,538	\$142,882,163	\$338,206,066	\$144,808,532	\$145,971,258	-56.8%
Pharmaceuticals	\$0	\$167,938,661	\$1,332,521	\$202,707,505	\$222,604,440	16605.5%
Other Purchased Services - Consulting	\$0	\$8,541,600	\$0	\$2,563,825	\$5,777,072	#DIV/0!
Other Purchased Services -Travelers	\$0	\$11,487,380	\$300,000	\$9,449,433	\$5,484,902	1728.3%
Other Operating Expenses	\$631,911,591	\$569,426,070	\$606,688,354	\$589,693,313	\$620,638,201	2.3%
Total Operating Expenses	\$2,795,444,000	\$2,882,904,090	\$3,008,243,216	\$3,021,295,621	\$3,189,553,217	6.0%
Net Operating Income	\$20,317,997	\$1,702,775	\$51,936,784	\$69,459,637	\$75,526,786	45.4%
Non Operating Revenue	\$33,603,750	\$41,579,846	\$35,319,561	\$169,242,533	-\$7,487,374	-121.2%
Excess (Deficit) of Rev over Exp	\$53,921,747	\$43,282,621	\$87,256,345	\$238,702,170	\$68,039,413	-22.0%
Income Statement Metrics						
Operating Margin %	0.7%	0.1%	1.7%	2.2%	2.3%	
Total Margin %	1.9%	1.5%	2.8%	7.3%	2.1%	

Change in Charge %

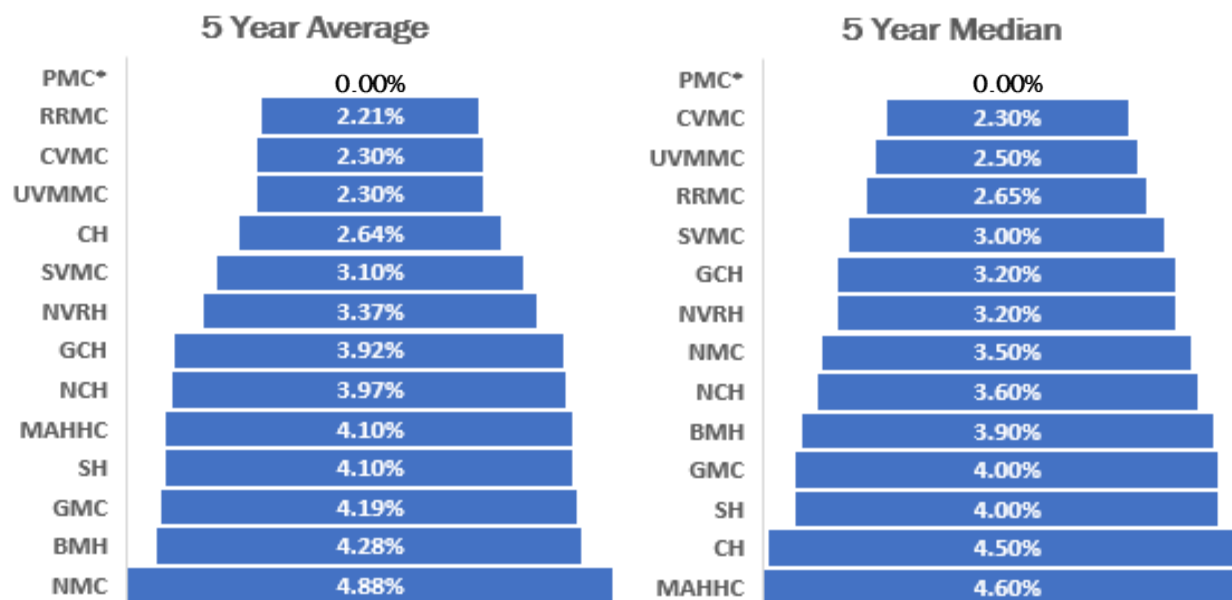
Vermont Community Hospitals History of Annual Increases in Charges

	2019			2020			2021			2022
	Approved	Submitted	Commercial Effective Rate	Approved	Commercial Effective Rate	Submitted	Commercial Effective Rate	Approved	Commercial Effective Rate	Submitted
Brattleboro Memorial Hospital	3.9%	3.4%		3.4%		4.9%		4.9%		5.1%
Central Vermont Medical Center	2.3%	3.0%	5.9%	3.0%	5.9%	6.0%	8.5%	6.0%	7.0%	7.4%
Copley Hospital	4.5%	9.8%		9.8%		8.0%		6.0%		5.0%
Gifford Medical Center	4.0%	5.0%		5.0%		4.0%		4.0%		3.5%
Grace Cottage Hospital	3.2%	3.2%		3.2%		3.2%		3.2%		5.0%
Mt. Ascutney Hospital & Health Center	2.9%	3.2%		3.2%		4.6%		4.6%		2.2%
North Country Hospital	3.6%	4.2%		4.2%		3.6%		3.6%		4.9%
Northeastern VT Regional Hospital	3.0%	3.5%		3.0%		3.9%		3.9%		3.0%
Northwestern Medical Center	2.0%	5.9%		5.9%		21.1%		13.0%		3.0%
Porter Medical Center	-1.0%	0.0%	2.6%	0.0%	2.6%	0.0%	5.8%	0.0%	4.0%	5.9%
Rutland Regional Medical Center	2.6%	2.7%		2.7%		6.0%		6.0%		3.6%
Southwestern VT Medical Center	3.0%	2.8%		2.8%		3.5%		3.5%		4.8%
Springfield Hospital	10.0%	0.0%		0.0%		4.0%		4.0%		8.3%
The University of Vermont Medical Center	2.5%	3.0%	4.0%	3.0%	3.5%	8.0%	8.0%	6.0%	6.0%	7.1%
Estimated Weighted Average For All Hospitals**	2.9%	3.2%		3.1%		6.8%		5.6%		6.0%

**Estimated Weighted Average for All Hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate).

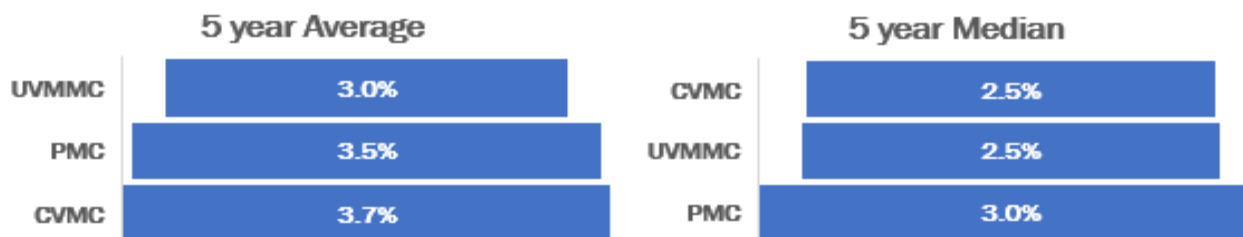
Approved Overall Change in Charge 5-Year Average: FY2017-2021

Change in Charge



*PMC has been zero since FY2017

Commercial Effective Rate



Net Patient Revenue and Fixed Prospective Payments: FY2019-2022



Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	\$ 83,994,257	\$ 76,593,854	\$ 92,802,429	\$ 86,931,647	\$ 95,595,382
Central Vermont Medical Center	208,006,996	193,820,404	236,081,037	227,104,899	251,502,614
Copley Hospital	66,993,816	69,112,081	76,189,789	80,381,902	86,390,520
Gifford Medical Center	50,052,096	47,232,407	52,083,147	54,149,594	54,224,079
Grace Cottage Hospital	18,734,702	19,425,101	20,666,695	21,330,891	22,353,530
Mount Ascutney Hospital and Health Center	50,849,386	49,880,775	56,211,391	60,488,476	59,640,912
North Country Hospital	80,634,917	76,811,293	82,736,960	85,938,930	88,784,695
Northeastern Vermont Regional Hospital	84,684,742	85,775,755	90,525,300	93,724,962	97,368,788
Northwestern Medical Center	106,529,464	98,555,639	112,015,717	115,495,674	115,925,533
Porter Medical Center	84,961,115	77,472,728	89,810,557	86,218,427	94,168,035
Rutland Regional Medical Center	256,402,902	239,255,341	247,487,684	266,868,813	270,361,370
Southwestern Vermont Medical Center	163,952,570	154,068,253	167,089,128	169,481,663	177,594,439
Springfield Hospital	47,392,824	39,790,103	50,600,310	45,212,644	53,591,000
University of Vermont Medical Center	1,285,234,193	1,199,728,235	1,415,656,433	1,295,787,839	1,500,593,928
All Vermont Community Hospitals	\$ 2,588,423,980	\$ 2,427,521,969	\$ 2,789,956,577	\$ 2,689,116,360	\$ 2,968,094,825

NPR/FPP (%*): FY2021-2022 and FY2019-2022 CAGR



Hospital	FY2021 Bud FY2022 Bud	FY2021 Proj FY2022 Bud	FY2021 Bud FY2022 Bud adj	FY2021 Proj adj FY2022 Bud adj	FY2019-FY2022 CAGR
Brattleboro Memorial Hospital	3.0%	10.0%	3.0%	10.2%	4.4%
Central Vermont Medical Center	6.5%	10.7%	6.5%	10.7%	6.5%
Copley Hospital	13.4%	7.5%	13.4%	9.4%	8.8%
Gifford Medical Center	4.1%	0.1%	3.5%	0.3%	2.7%
Grace Cottage Hospital	8.2%	4.8%	8.2%	6.1%	6.1%
Mount Ascutney Hospital and Health Center	6.1%	-1.4%	5.6%	-1.6%	5.5%
North Country Hospital	7.3%	3.3%	7.3%	4.5%	3.3%
Northeastern Vermont Regional Hospital	7.6%	3.9%	7.1%	4.9%	4.8%
Northwestern Medical Center	3.5%	0.4%	2.0%	2.2%	2.9%
Porter Medical Center	4.9%	9.2%	4.9%	9.2%	3.5%
Rutland Regional Medical Center	9.2%	1.3%	9.0%	2.0%	1.8%
Southwestern Vermont Medical Center	6.3%	4.8%	5.7%	6.1%	2.7%
Springfield Hospital	5.9%	18.5%	5.9%	18.5%	4.2%
University of Vermont Medical Center	6.0%	15.8%	5.5%	15.7%	5.3%
All Vermont Community Hospitals	6.4%	10.4%	6.0%	10.8%	4.7%

*Note: These percentages do not represent any adjustments for account changes or provider transfer/acquisitions just COVID vaccine/testing allowances.

Net Patient Revenue and Fixed Prospective Payments: FY2021-2022 Change by Payer



Hospital	FY2021 NPR/FPP	FY2022 NPR/FPP	Total NPR/FPP Change	% share	Commercial Change	Medicaid Change	Medicare Change	DSH Change
Brattleboro Memorial Hospital	\$ 92,802,429	\$ 95,595,382	\$ 2,792,953	1.6%	\$ 1,427,568	\$ 1,845,967	\$ (480,582)	\$ -
Central Vermont Medical Center	236,081,037	251,502,614	15,421,577	8.7%	13,681,798	(63,473)	1,759,913	43,339
Copley Hospital	76,189,789	86,390,520	10,200,731	5.7%	12,817,603	2,094,842	(4,711,714)	-
Gifford Medical Center	52,083,147	54,224,079	2,140,932	1.2%	(1,142,878)	2,898,098	401,812	(16,100)
Grace Cottage Hospital	20,666,695	22,353,530	1,686,835	0.9%	208,785	346,830	1,131,220	-
Mt. Ascutney Hospital & Health Ctr	56,211,391	59,640,912	3,429,519	1.9%	2,780,561	1,658,274	(1,069,316)	60,000
North Country Hospital	82,736,960	88,784,695	6,047,731	3.4%	90,780	93,654	6,083,370	(220,073)
Northeastern VT Regional Hospital	90,525,300	97,368,788	6,843,488	3.8%	5,700,460	1,267,240	(130,912)	6,700
Northwestern Medical Center	112,015,717	115,925,533	3,909,816	2.2%	5,544,341	(4,647,027)	2,714,938	297,564
Porter Medical Center	89,810,557	94,168,035	4,357,478	2.4%	(15,362)	1,312,094	3,078,640	(17,893)
Rutland Regional Medical Center	247,487,684	270,361,370	22,873,686	12.8%	(1,888,708)	6,510,435	18,186,767	65,192
Southwestern VT Medical Center	167,089,128	177,594,439	10,505,311	5.9%	8,509,813	297,297	1,801,673	(103,472)
Springfield Hospital	50,600,310	53,591,000	2,990,690	1.7%	2,337,368	(1,093,060)	1,931,302	(184,920)
The University of Vermont Medical Center	1,415,656,433	1,500,593,928	84,937,495	47.7%	27,349,672	33,116,204	24,471,619	-
All Vermont Community Hospitals	\$2,789,956,577	\$2,968,094,825	\$ 178,138,242	100%	\$77,401,800	\$ 45,637,375	\$ 55,168,730	\$ (69,663)

FY2022 Fixed Prospective Payments



Hospital	NPR/FPP	FPP	% FPP to NPR/FPP
Brattleboro Memorial Hospital	\$ 95,595,382	\$ 13,892,894	14.5%
Central Vermont Medical Center	251,502,614	45,790,204	18.2%
Copley Hospital	86,390,520	4,976,779	5.8%
Gifford Medical Center	54,224,079	3,043,532	5.6%
Grace Cottage Hospital	22,353,530	-	0.0%
Mount Ascutney Hospital and Health Center	59,640,912	1,672,282	2.8%
North Country Hospital	88,784,695	10,637,884	12.0%
Northeastern Vermont Regional Hospital	97,368,788	9,027,154	9.3%
Northwestern Medical Center	115,925,533	22,477,572	19.4%
Porter Medical Center	94,168,035	20,537,021	21.8%
Rutland Regional Medical Center	270,361,370	49,699,545	18.4%
Southwestern Vermont Medical Center	177,594,439	42,000,000	23.6%
Springfield Hospital	53,591,000	3,000,000	5.6%
University of Vermont Medical Center	1,500,593,928	182,298,507	12.1%
All Vermont Community Hospitals	\$ 2,968,094,825	\$ 409,053,373	13.8%

Fixed Prospective Payments: FY2021 - 2022 Change by Payer



Hospital	FY2021 FPP	FY2022 FPP	Total Change	Commercial Change	Medicaid Change	Medicare Change
Brattleboro Memorial Hospital	\$ 13,839,826	\$ 13,892,894	\$ 53,068	\$ (10,767)	\$ (288,785)	\$ 352,620
Central Vermont Medical Center	45,499,076	45,790,204	291,128	74,946	1,093,140	(876,958)
Copley Hospital	4,820,035	4,976,779	156,744	-	156,744	-
Gifford Medical Center	3,200,000	3,043,532	(156,468)	-	(156,468)	-
Grace Cottage Hospital	-	-	-	-	-	-
Mt. Ascutney Hospital & Health Ctr	1,200,000	1,672,282	472,282	-	472,282	-
North Country Hospital	6,387,360	10,637,884	4,250,524	-	4,250,524	-
Northeastern VT Regional Hospital	8,399,000	9,027,154	628,154	-	628,154	-
Northwestern Medical Center	20,376,132	22,477,572	2,101,440	257,722	440,242	1,403,476
Porter Medical Center	20,661,081	20,537,021	(124,061)	(2,960,179)	1,431,778	1,404,340
Rutland Regional Medical Center	14,824,780	49,699,545	34,874,765	-	3,674,765	31,200,000
Southwestern VT Medical Center	37,050,000	42,000,000	4,950,000	(500,000)	2,350,000	3,100,000
Springfield Hospital	5,640,000	3,000,000	(2,640,000)	-	(2,640,000)	-
The University of Vermont Medical Center	225,974,440	182,298,507	(43,675,933)	1,229,868	9,452,897	(54,358,698)
All Vermont Community Hospitals	\$ 407,871,730	\$ 409,053,373	\$ 1,181,643	\$ (1,908,410)	\$ 20,865,273	\$ (17,775,219)

Total Operating Revenue: FY2019-2022



Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	\$ 87,765,845	\$ 93,197,016	\$ 96,497,283	\$ 91,534,593	\$ 99,849,213
Central Vermont Medical Center	223,738,002	234,528,434	253,539,978	247,788,033	268,923,565
Copley Hospital	68,138,092	71,062,785	77,018,470	82,198,401	87,404,846
Gifford Medical Center	51,525,194	56,022,149	53,570,949	56,654,748	56,497,407
Grace Cottage Hospital	19,441,546	22,198,669	22,388,731	26,697,727	23,628,861
Mount Ascutney Hospital and Health Center	54,523,816	56,758,326	60,001,173	65,243,145	64,009,031
North Country Hospital	87,674,697	89,180,463	90,386,882	92,675,546	95,282,655
Northeastern Vermont Regional Hospital	88,816,877	91,886,642	95,432,700	99,270,582	101,833,888
Northwestern Medical Center	110,824,117	119,686,824	117,489,589	124,828,650	121,615,826
Porter Medical Center	91,354,445	89,844,115	96,718,337	96,335,572	100,376,851
Rutland Regional Medical Center	275,188,690	281,894,987	268,471,649	299,763,076	291,107,104
Southwestern Vermont Medical Center	171,361,145	172,970,759	174,594,302	180,395,010	184,388,767
Springfield Hospital	49,059,327	47,281,150	52,361,782	49,632,714	55,985,000
University of Vermont Medical Center	1,436,350,203	1,458,094,545	1,601,708,176	1,577,737,460	1,714,176,988
All Vermont Community Hospitals	\$ 2,815,761,997	\$ 2,884,606,865	\$ 3,060,180,000	\$ 3,090,755,258	\$ 3,265,080,003

COVID-19 Funds Reported in Other Operating Revenue: FY2020-2021



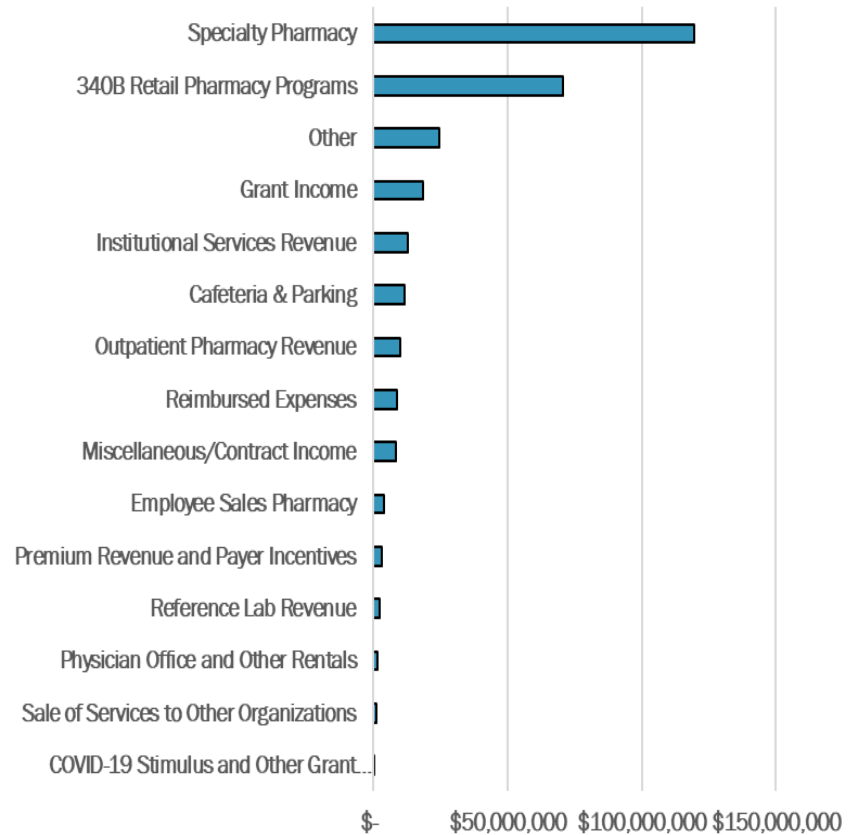
Hospital	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	\$ 12,484,406	\$ -	\$ 187,009	\$ -
Central Vermont Medical Center	25,301,050	-	2,472,230	-
Copley Hospital	852,053	-	534,296	-
Gifford Medical Center	6,598,814	-	-	-
Grace Cottage Hospital	2,196,059	-	4,118,320	-
Mount Ascutney Hospital and Health Center	2,533,288	-	371,570	-
North Country Hospital	4,866,339	-	144,622	-
Northeastern Vermont Regional Hospital	1,788,510	597,400	1,160,140	-
Northwestern Medical Center	14,452,282	-	3,927,390	-
Porter Medical Center	6,002,473	-	1,942,800	-
Rutland Regional Medical Center	21,217,397	-	12,220,705	-
Southwestern Vermont Medical Center	13,034,717	-	2,847,219	-
Springfield Hospital	-	-	3,204,274	200,000
University of Vermont Medical Center	79,892,957	-	73,529,512	-
All Vermont Community Hospitals	\$ 191,220,346	\$ 597,400	\$ 106,660,087	\$ 200,000

Other Operating Revenue: FY2017–2022

Other Operating Revenue



Categories of Other Operating Revenue



Operating Expenses: FY2019-2022



Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	\$ 87,095,267	\$ 92,681,654	\$ 96,055,094	\$ 95,622,939	\$ 99,200,390
Central Vermont Medical Center	228,415,989	235,847,778	252,272,277	251,013,400	266,233,915
Copley Hospital	70,299,334	73,819,577	76,579,874	81,687,542	86,378,982
Gifford Medical Center	51,938,902	54,604,423	52,584,178	55,540,454	53,172,793
Grace Cottage Hospital	20,743,344	21,961,124	22,388,659	23,409,263	24,518,885
Mount Ascutney Hospital and Health Center	54,566,701	56,220,017	59,828,546	61,783,747	62,951,120
North Country Hospital	85,997,751	85,844,221	88,834,101	90,846,509	93,407,053
Northeastern Vermont Regional Hospital	87,189,684	90,705,424	93,488,000	97,287,326	99,768,850
Northwestern Medical Center	119,729,265	120,798,340	119,362,165	122,648,414	119,163,778
Porter Medical Center	86,649,174	86,170,515	92,343,473	93,850,848	95,215,788
Rutland Regional Medical Center	274,016,566	281,349,496	266,770,899	293,735,548	290,985,741
Southwestern Vermont Medical Center	165,778,101	168,204,278	174,402,372	175,407,639	180,760,242
Springfield Hospital	58,081,280	52,595,424	51,668,108	53,595,692	55,044,000
University of Vermont Medical Center	1,404,942,642	1,462,101,819	1,561,665,470	1,524,866,301	1,662,751,679
All Vermont Community Hospitals	\$ 2,795,444,000	\$ 2,882,904,090	\$ 3,008,243,216	\$ 3,021,295,621	\$ 3,189,553,217

Operating Expense Growth: FY2021-2022 and FY2019-2022 CAGR



Hospital	FY2021 Bud FY2022 Bud	FY2021 Proj FY2022 Bud	FY2021 Bud FY2022 Bud adj	FY2021 Proj adj FY2022 Bud adj	FY2019-FY2022 CAGR
Brattleboro Memorial Hospital	3.3%	3.7%	3.3%	4.6%	4.4%
Central Vermont Medical Center	5.5%	6.1%	5.5%	8.0%	5.2%
Copley Hospital	12.8%	5.7%	12.8%	7.9%	7.1%
Gifford Medical Center	1.1%	-4.3%	0.4%	-4.1%	0.8%
Grace Cottage Hospital	9.5%	4.7%	9.5%	5.5%	5.7%
Mount Ascutney Hospital and Health Center	5.2%	1.9%	4.5%	3.2%	4.9%
North Country Hospital	5.1%	2.8%	5.1%	3.8%	2.8%
Northeastern Vermont Regional Hospital	6.7%	2.6%	6.3%	3.4%	4.6%
Northwestern Medical Center	-0.2%	-2.8%	-0.8%	-0.9%	-0.2%
Porter Medical Center	3.1%	1.5%	3.1%	2.6%	3.2%
Rutland Regional Medical Center	9.1%	-0.9%	8.9%	-0.2%	2.0%
Southwestern Vermont Medical Center	3.6%	3.1%	3.2%	4.8%	2.9%
Springfield Hospital	6.5%	2.7%	5.4%	3.5%	-1.8%
University of Vermont Medical Center	6.5%	9.0%	6.1%	10.4%	5.8%
All Vermont Community Hospitals	6.0%	5.6%	5.7%	6.9%	4.5%

Operating Margins (\$): FY2019-2022



Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	\$ 670,579	\$ 515,362	\$ 442,189	\$ (4,088,346)	\$ 648,823
Central Vermont Medical Center	(4,677,987)	(1,319,345)	1,267,701	(3,225,366)	2,689,649
Copley Hospital	(2,161,242)	(2,756,792)	438,596	510,859	1,025,864
Gifford Medical Center	(413,707)	1,417,726	986,771	1,114,294	3,324,614
Grace Cottage Hospital	(1,301,798)	237,545	72	3,288,464	(890,024)
Mount Ascutney Hospital and Health Center	(42,885)	538,310	172,627	3,459,398	1,057,911
North Country Hospital	1,676,946	3,336,242	1,552,781	1,829,038	1,875,602
Northeastern Vermont Regional Hospital	1,627,193	1,181,218	1,944,700	1,983,256	2,065,038
Northwestern Medical Center	(8,905,148)	(1,111,516)	(1,872,576)	2,180,236	2,452,048
Porter Medical Center	4,705,271	3,673,600	4,374,863	2,484,725	5,161,064
Rutland Regional Medical Center	1,172,124	545,491	1,700,750	6,027,528	121,363
Southwestern Vermont Medical Center	5,583,044	4,766,481	191,930	4,987,371	3,628,525
Springfield Hospital	(9,021,953)	(5,314,274)	693,674	(3,962,978)	941,000
University of Vermont Medical Center	31,407,561	(4,007,273)	40,042,705	52,871,159	51,425,310
All Vermont Community Hospitals	\$ 20,317,997	\$ 1,702,775	\$ 51,936,784	\$ 69,459,637	\$ 75,526,786

Operating Margins (%): FY2019-2022



Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	0.8%	0.6%	0.5%	-4.5%	0.6%
Central Vermont Medical Center	-2.1%	-0.6%	0.5%	-1.3%	1.0%
Copley Hospital	-3.2%	-3.9%	0.6%	0.6%	1.2%
Gifford Medical Center	-0.8%	2.5%	1.8%	2.0%	5.9%
Grace Cottage Hospital	-6.7%	1.1%	0.0%	12.3%	-3.8%
Mount Ascutney Hospital and Health Center	-0.1%	0.9%	0.3%	5.3%	1.7%
North Country Hospital	1.9%	3.7%	1.7%	2.0%	2.0%
Northeastern Vermont Regional Hospital	1.8%	1.3%	2.0%	2.0%	2.0%
Northwestern Medical Center	-8.0%	-0.9%	-1.6%	1.7%	2.0%
Porter Medical Center	5.2%	4.1%	4.5%	2.6%	5.1%
Rutland Regional Medical Center	0.4%	0.2%	0.6%	2.0%	0.0%
Southwestern Vermont Medical Center	3.3%	2.8%	0.1%	2.8%	2.0%
Springfield Hospital	-18.4%	-11.2%	1.3%	-8.0%	1.7%
University of Vermont Medical Center	2.2%	-0.3%	2.5%	3.4%	3.0%
All Vermont Community Hospitals	0.7%	0.1%	1.7%	2.2%	2.3%

Total Margins (\$): FY2019-2022



Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	\$ 1,452,929	\$ 9,719,922	\$ 1,142,189	\$ 561,707	\$ 1,153,823
Central Vermont Medical Center	(8,842,539)	11,172,680	7,695,136	12,277,713	10,687,195
Copley Hospital	(1,765,506)	(2,308,754)	740,796	865,748	1,328,048
Gifford Medical Center	2,643,771	3,337,395	1,936,771	9,101,968	4,274,614
Grace Cottage Hospital	(69,318)	1,452,615	899,800	4,214,656	47,399
Mount Ascutney Hospital and Health Center	(2,088,966)	6,237,584	1,167,627	7,083,110	2,282,460
North Country Hospital	2,617,150	7,281,485	2,139,380	18,230,327	2,716,130
Northeastern Vermont Regional Hospital	1,589,626	3,599,744	1,944,700	5,486,842	2,065,038
Northwestern Medical Center	(8,493,365)	(1,372,101)	(198,901)	7,180,236	3,998,383
Porter Medical Center	5,403,292	3,890,641	5,014,609	2,791,319	5,939,000
Rutland Regional Medical Center	5,954,382	15,420,729	10,081,254	23,195,631	6,495,227
Southwestern Vermont Medical Center	5,996,356	8,089,171	641,930	6,349,613	(45,606,475)
Springfield Hospital	(16,279,821)	(5,495,187)	184,740	14,290,739	252,000
University of Vermont Medical Center	65,803,757	(17,743,303)	53,866,313	127,072,561	72,406,572
All Vermont Community Hospitals	\$ 53,921,747	\$ 43,282,621	\$ 87,256,345	\$ 238,702,170	\$ 68,039,413

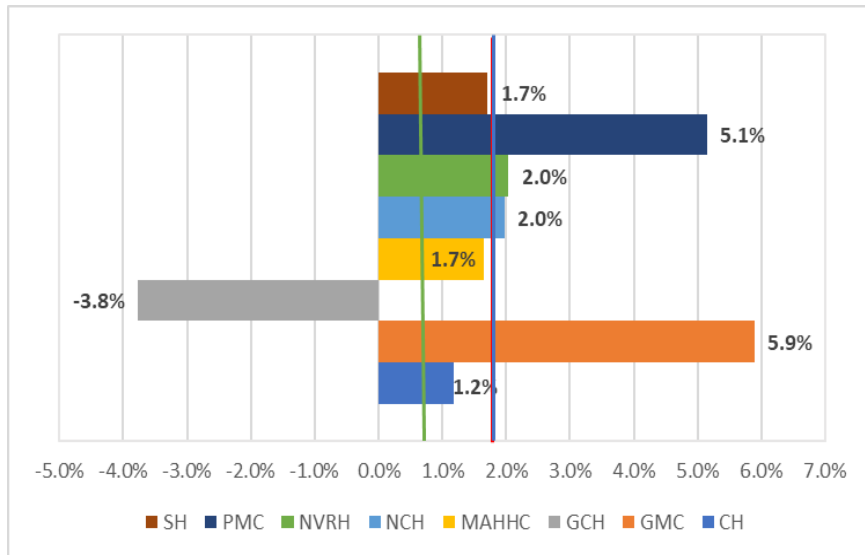
Total Margins (%): FY2019-2022



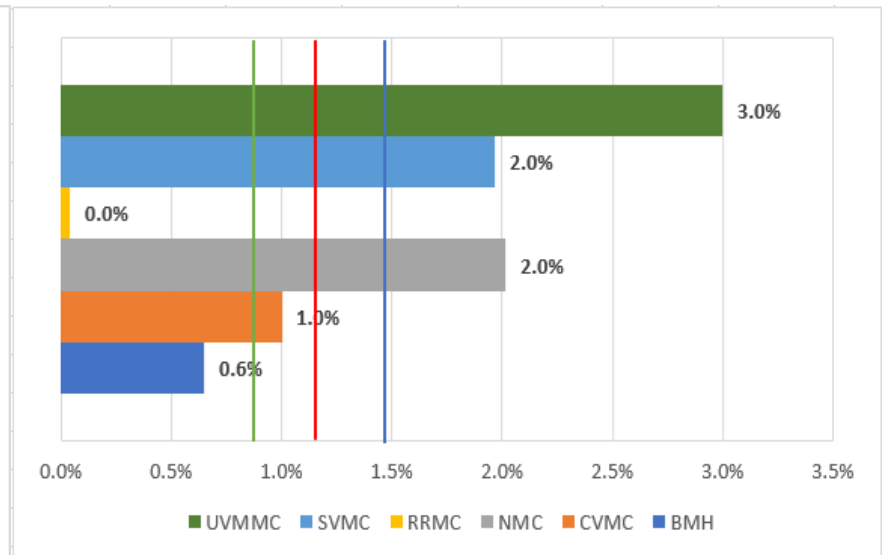
Hospital	FY2019 Actuals	FY2020 Actuals	FY2021 Budget	FY2021 Projected	FY2022 Budget
Brattleboro Memorial Hospital	1.6%	9.5%	1.2%	0.6%	1.1%
Central Vermont Medical Center	-4.0%	4.5%	3.0%	4.7%	3.9%
Copley Hospital	-2.6%	-3.2%	1.0%	1.0%	1.5%
Gifford Medical Center	4.8%	5.8%	3.6%	14.1%	7.4%
Grace Cottage Hospital	-0.3%	6.2%	3.9%	15.3%	0.2%
Mount Ascutney Hospital and Health Center	-4.0%	10.0%	1.9%	10.3%	3.5%
North Country Hospital	3.0%	7.8%	2.4%	16.7%	2.8%
Northeastern Vermont Regional Hospital	1.8%	3.8%	2.0%	5.3%	2.0%
Northwestern Medical Center	-7.6%	-1.1%	-0.2%	5.5%	3.2%
Porter Medical Center	5.9%	4.3%	5.2%	2.9%	5.9%
Rutland Regional Medical Center	2.1%	5.2%	3.6%	7.3%	2.2%
Southwestern Vermont Medical Center	3.5%	4.6%	0.4%	3.5%	-33.7%
Springfield Hospital	-38.9%	-11.7%	0.4%	21.1%	0.5%
University of Vermont Medical Center	4.5%	-1.2%	3.3%	7.7%	4.2%
All Vermont Community Hospitals	1.9%	1.5%	2.8%	7.3%	2.1%

Operating Margins (%): FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 1.8%



PPS Hospitals FY2022B VT Median 1.48%



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

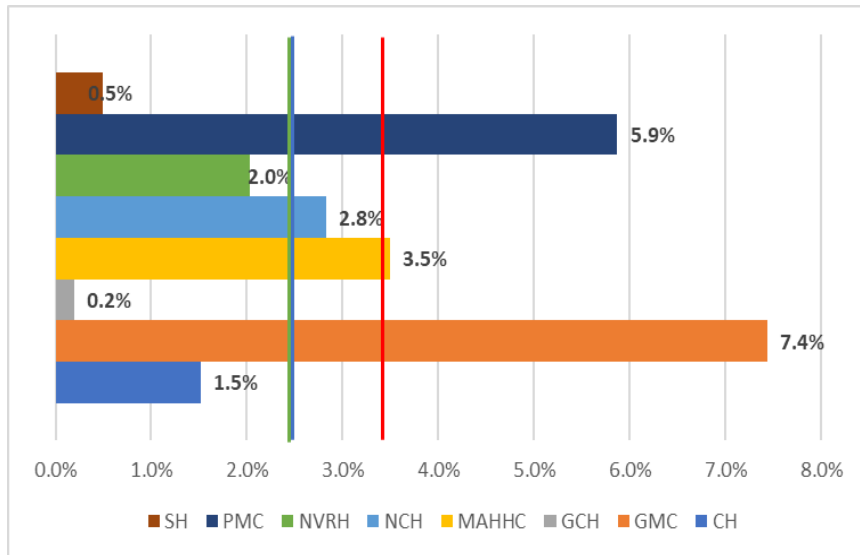


VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

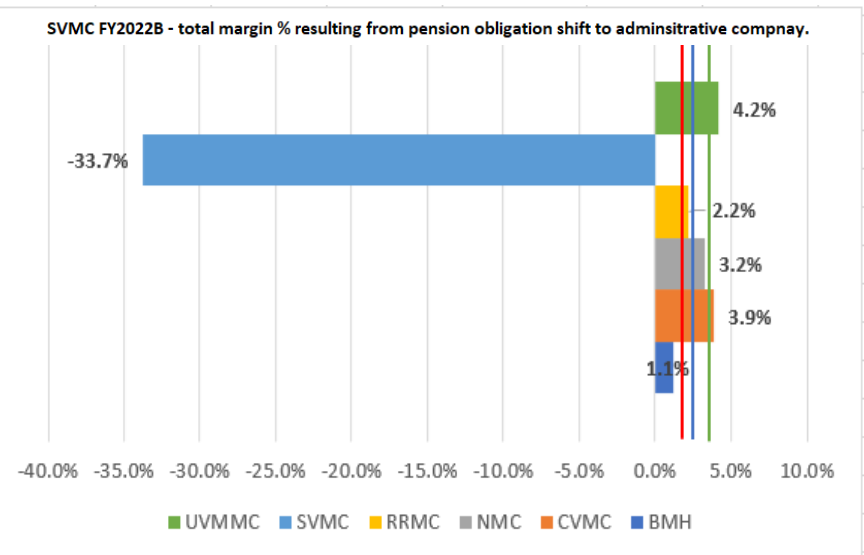


Total Margins (%): FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 2.40%



PPS Hospitals FY2022B VT Median 2.71%

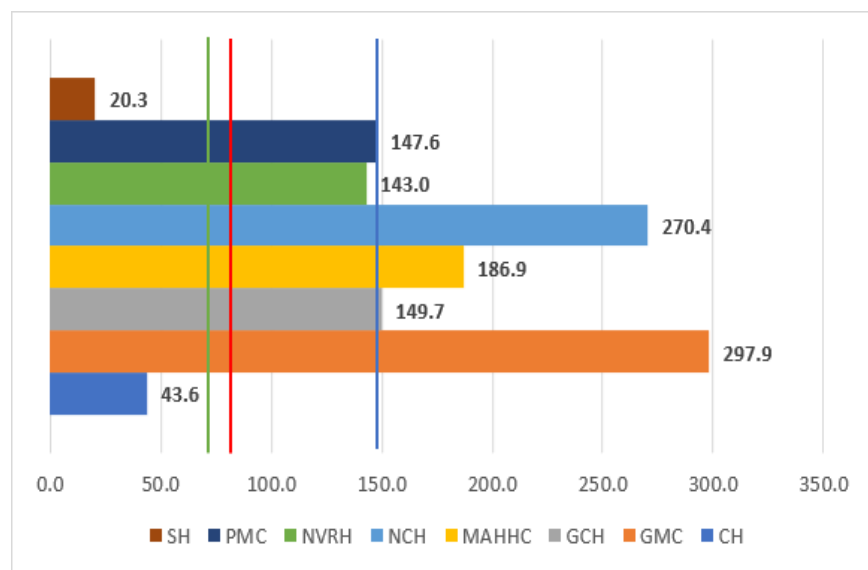


VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

Days Cash on Hand (DCOH): FY2022 Budgets

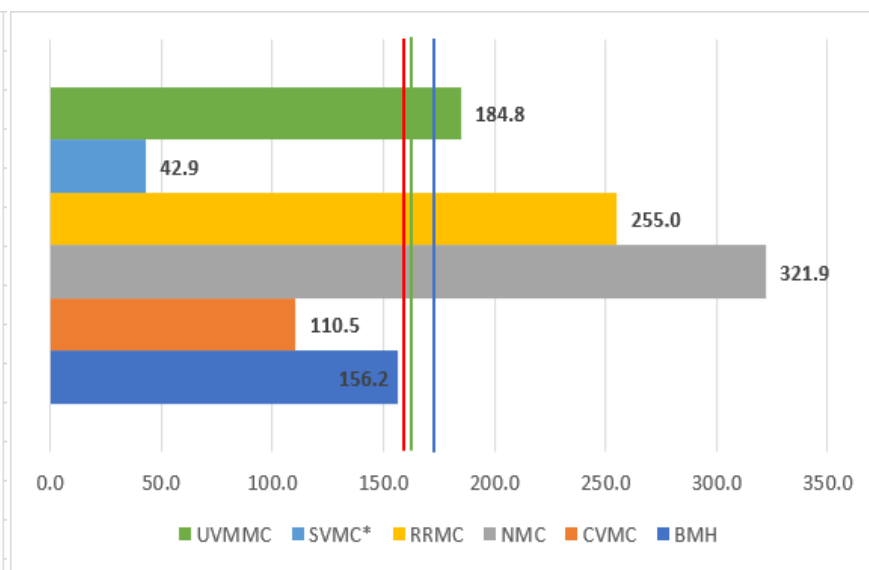
Critical Access Hospitals FY2022B VT Median 148.6



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019



PPS Hospitals FY2022B VT Median 170.5

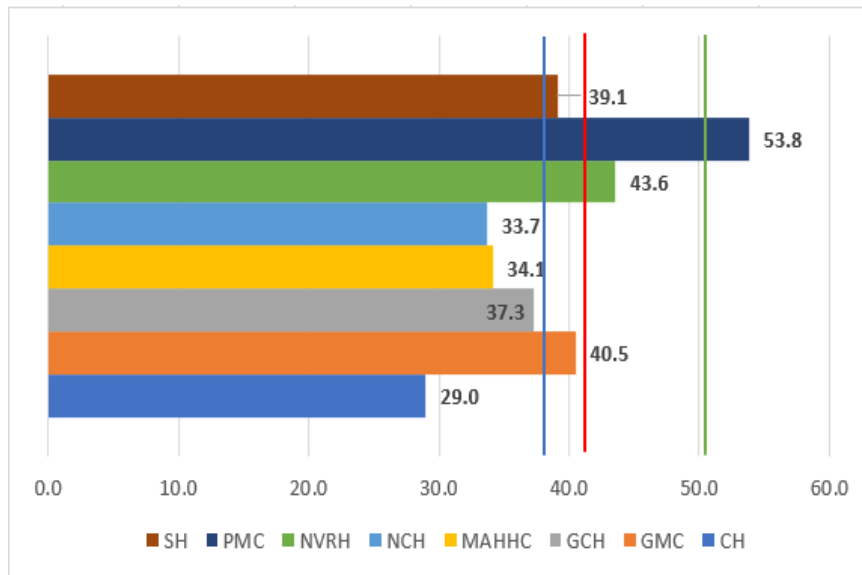


VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019



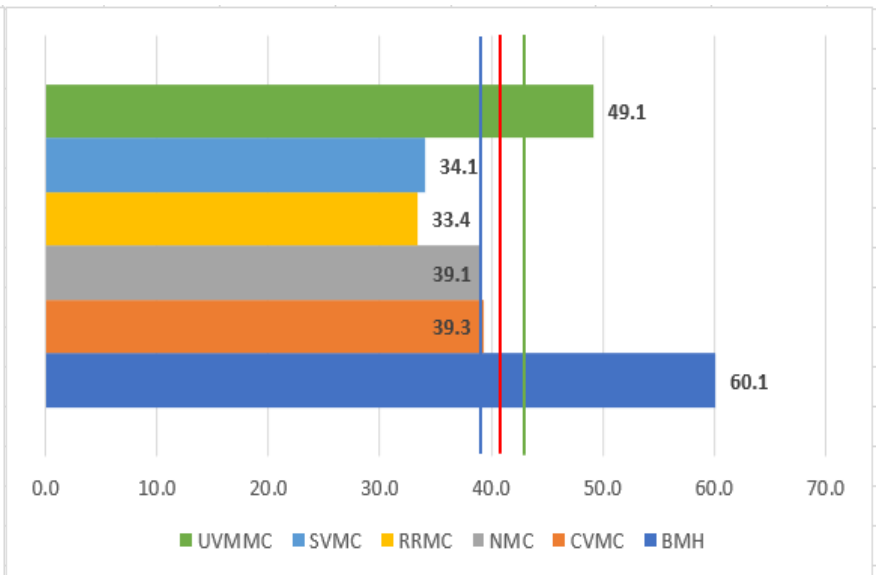
Days Receivable: FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 38.2



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

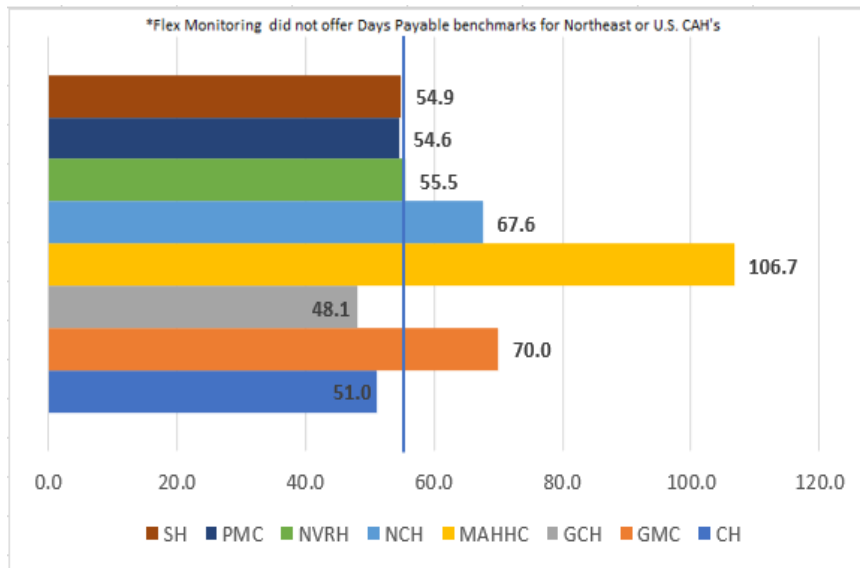
PPS Hospitals FY2022B VT Median 39.2



VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

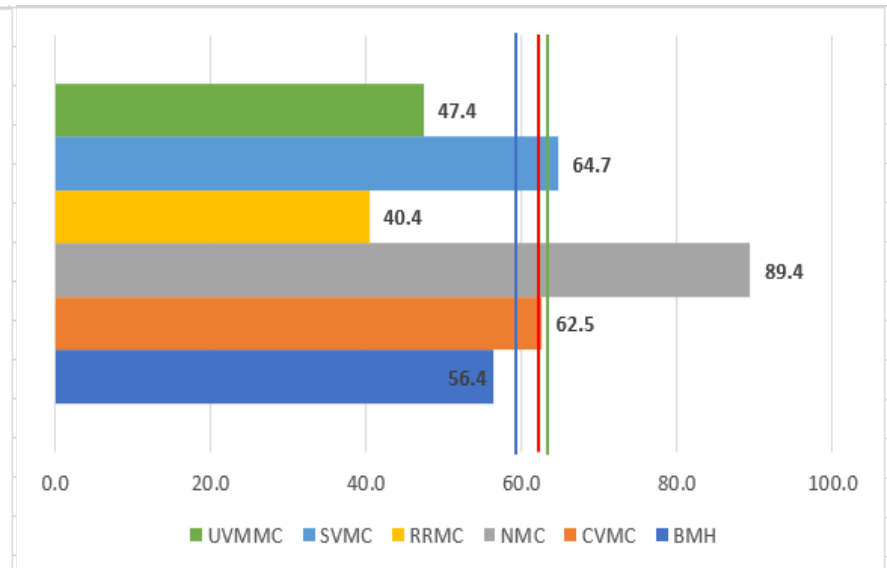
Days Payable: FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 55.2



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

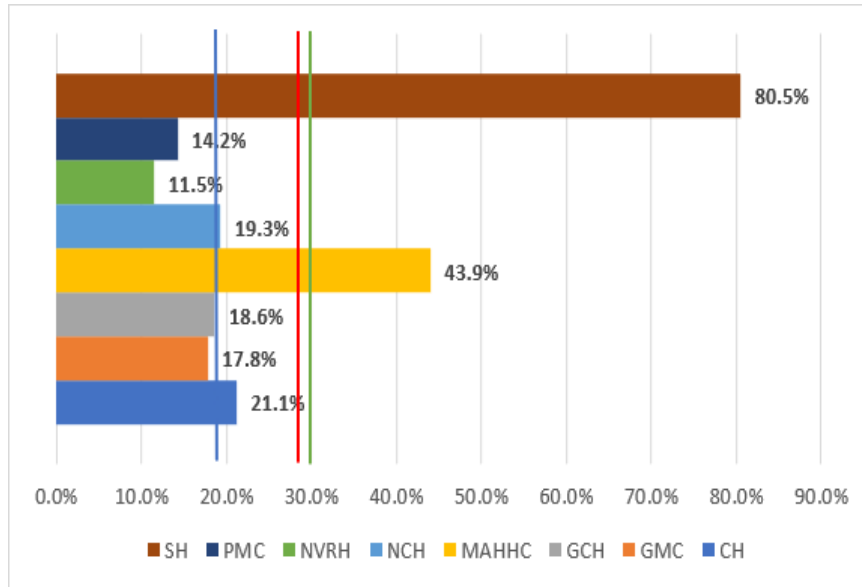
PPS Hospitals FY2022B VT Median 59.5



VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

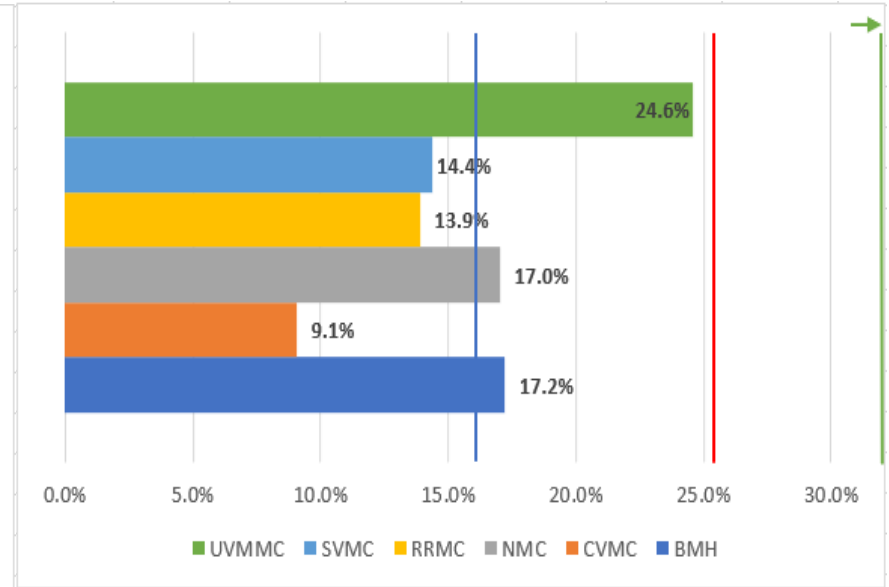
Long-Term Debt to Capitalization: FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 19%



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

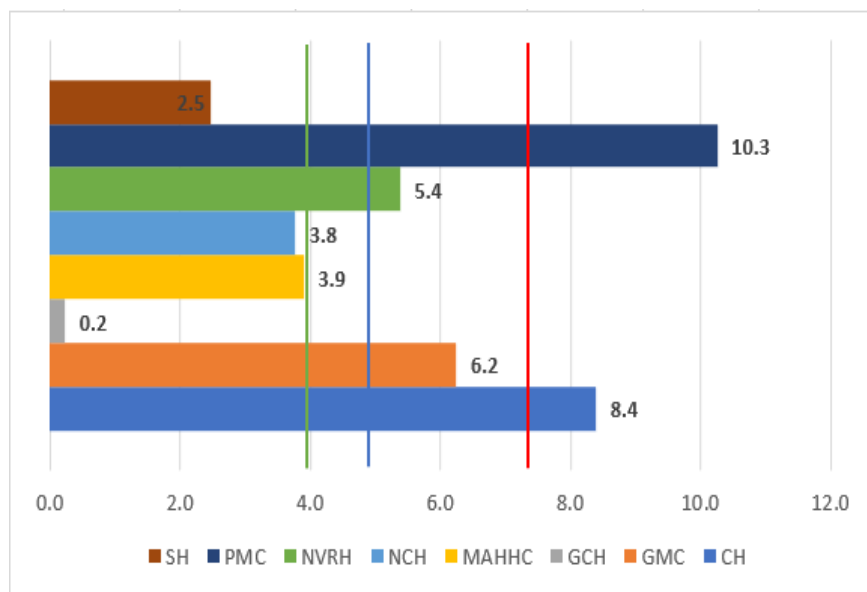
PPS Hospitals FY2022B VT Median 16%



VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

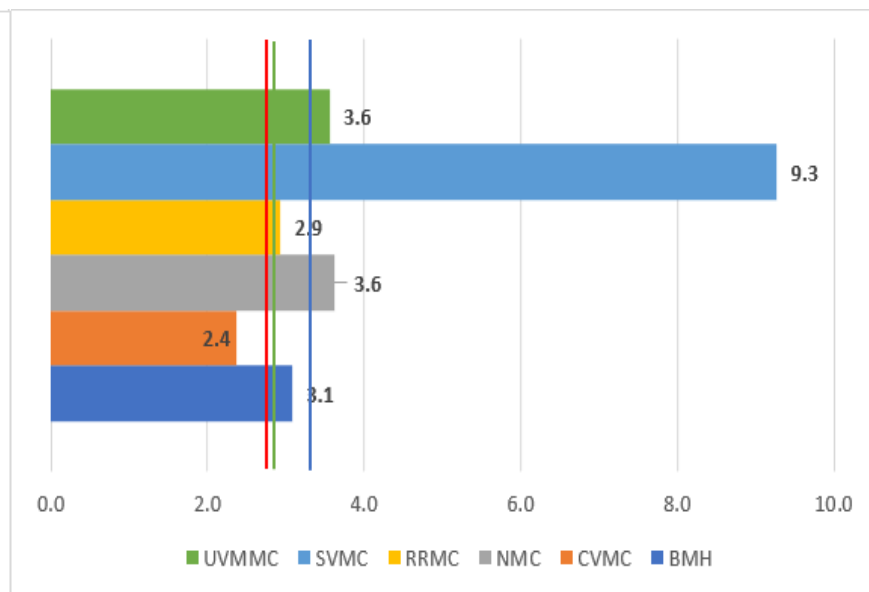
Debt Service Coverage Ratio (DSCR): FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 4.64:1



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

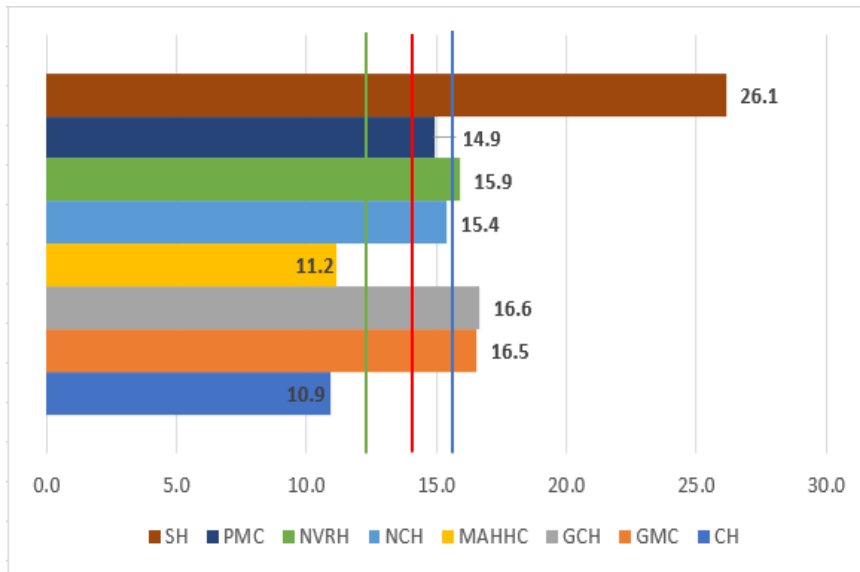
PPS Hospitals FY2022B VT Median 3.32:1



VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

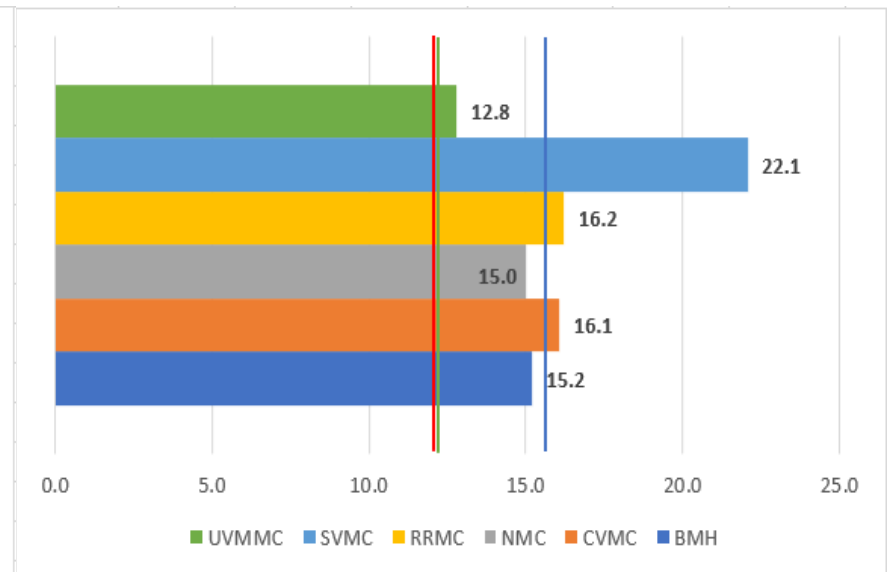
Age of Plant: FY2022 Budgets

Critical Access Hospitals FY2022B VT Median 15.6



VT CAH FY2022
Flex Monitoring
Northeast CAH FY2019
U.S. CAH FY2019

PPS Hospitals FY2022B VT Median 15.6



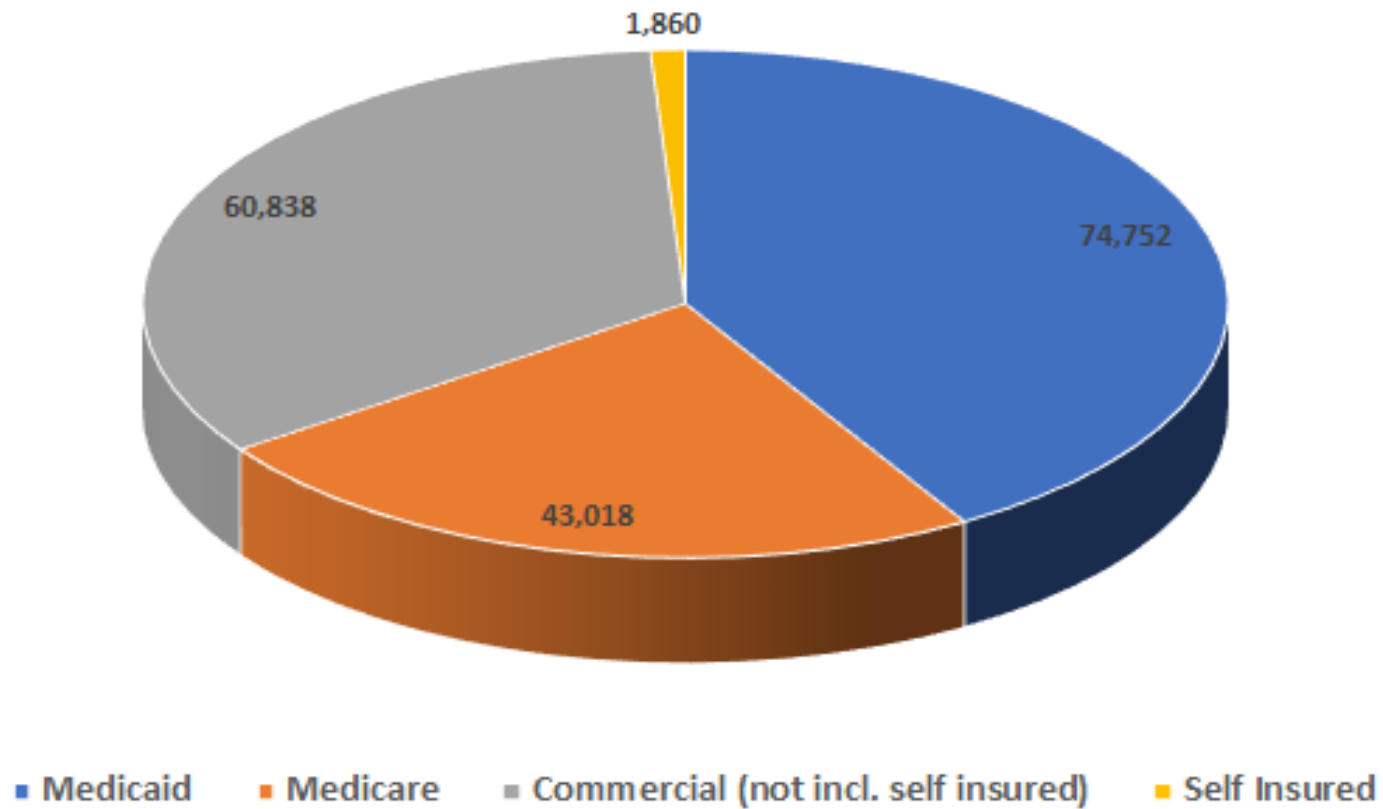
VT PPS FY2022
Fitch Ratings Solutions
Northern New England FY2019
Northeast FY2019

ACO Planned Participation FY2022

Hospital	Medicaid	Medicare	Commercial (not incl. Self-insured)	Self-Insured	Does Not Participate
Brattleboro Memorial Hospital	X	X	X		
Central Vermont Medical Center	X	X	X	X	
Copley Hospital	X		X		
Gifford Medical Center	X		X		
Grace Cottage Hospital					X
Mt. Ascutney Hospital & Health Ctr	X	X	X		
North Country Hospital	X		X		
Northeastern VT Regional Hospital	X		X		
Northwestern Medical Center	X	X	X		
Porter Medical Center	X	X	X	X	
Rutland Regional Medical Center	X	X	X	X	
Southwestern VT Medical Center	X	X	X		
Springfield Hospital	X		X		
University of Vermont Medical Center	X	X	X	X	

ACO Planned Participation: Total Monthly Average Attributed Lives –Hospital System

Total Monthly Average Budgeted Attributed Lives CY2022



Exemption from Public Hearing



NOTE: FY2022 budgets for Gifford Medical Center and Northwestern Medical Center were approved by the GMCB on July 28, 2021.

Gifford Medical Center

Qualifying Criteria

- NPR/FPP rate request = **3.5%**** (at growth guidance of 3.5%) ☒
- Charge increase request = **3.5%** (at 3.5%) ☒
- Continued involvement in value-based care reform ☒
- Budget assumptions are deemed reasonable ☒
- Budget submission schedules reconcile ☒
- Budget content complies with guidance ☒

Northwestern Medical Center

Qualifying Criteria

- NPR/FPP rate request = **2.0%** (below growth guidance of 3.5%) ☒
- Charge increase request = **3.0%** (below 3.5%) ☒
- Continued involvement in value-based care reform ☒
- Budget assumptions are deemed reasonable ☒
- Budget submission schedules reconcile ☒
- Budget content complies with guidance ☒

*Hospital's NPR/FPP budget request includes accounting adjustments and/or provider transfers/enhancements.

**Hospital's NPR/FPP budget request includes COVID-19 Vaccine Clinics and Testing Revenues

Suggested Motion Language for Gifford Medical Center and Northwestern Medical Center



- *Move to approve Gifford Medical Center's budget as submitted, with a 3.50% increase from FY2021 to FY2022 budgeted NPR/FPP, a 3.50% increase to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*
- *Move to approve Northwestern Medical Center's budget as submitted, with a 2.00% increase from FY2021 to FY2022 budgeted NPR/FPP, a 3.00% increase to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Standard Budget Order Conditions

- Monthly reporting of FY2022 year-to-date operating performance beginning on November 20, 2021 as instructed by GMCB staff.
- Telephonic check-ins to be scheduled at the discretion of Chair in consultation with GMCB staff based on FY2022 year-to-date operating performance.
- Notification to the Board if any revenue and expense assumptions used to prepare the budget materially change.
- File information necessary for the Board to review FY2022 operating results, including the filing of audited financials, as instructed by GMCB staff.
- Timely filing of all provider acquisitions/transfers and other material accounting adjustments, as instructed by GMCB staff.
- [Hospital] shall continue to file all requested data and other information in a timely and accurate manner, including updates on access to care and wait times
- Participate in GMCB's strategic sustainability planning.
- Hospital will review the data and information in the Mathematica report regarding potentially avoidable utilization in their ED and inpatient settings, and hospitals will work with Board staff to potentially include these measures in non-financial reporting as part of the FY23 hospital budget review process, with the goal of developing strategies to reduce potentially avoidable utilization.

Southwestern Vermont Medical Center (SVMC)



NPR/FPP

FY21 Budget-to-Projection Variance	1.4%
FY21 Budget (\$)	\$167,089,128
FY21 Projection (\$)	\$169,481,663
FY22 Request (\$)	\$177,594,439
FY22 Request (% change FY21B)	6.3%
FY22 Request (% change FY21P)	4.8%

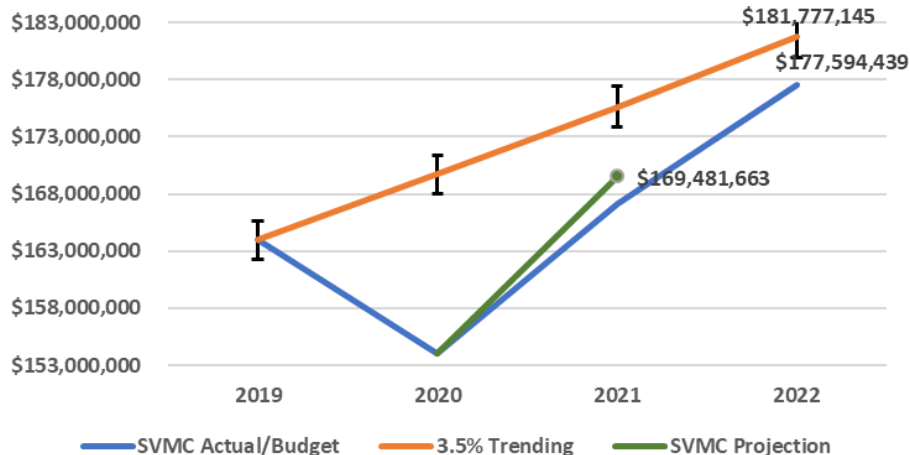
SVMC's 6.3% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$4,033,259
Medicaid	\$0
Medicare	\$0

4.8% Overall Charge Master Increase

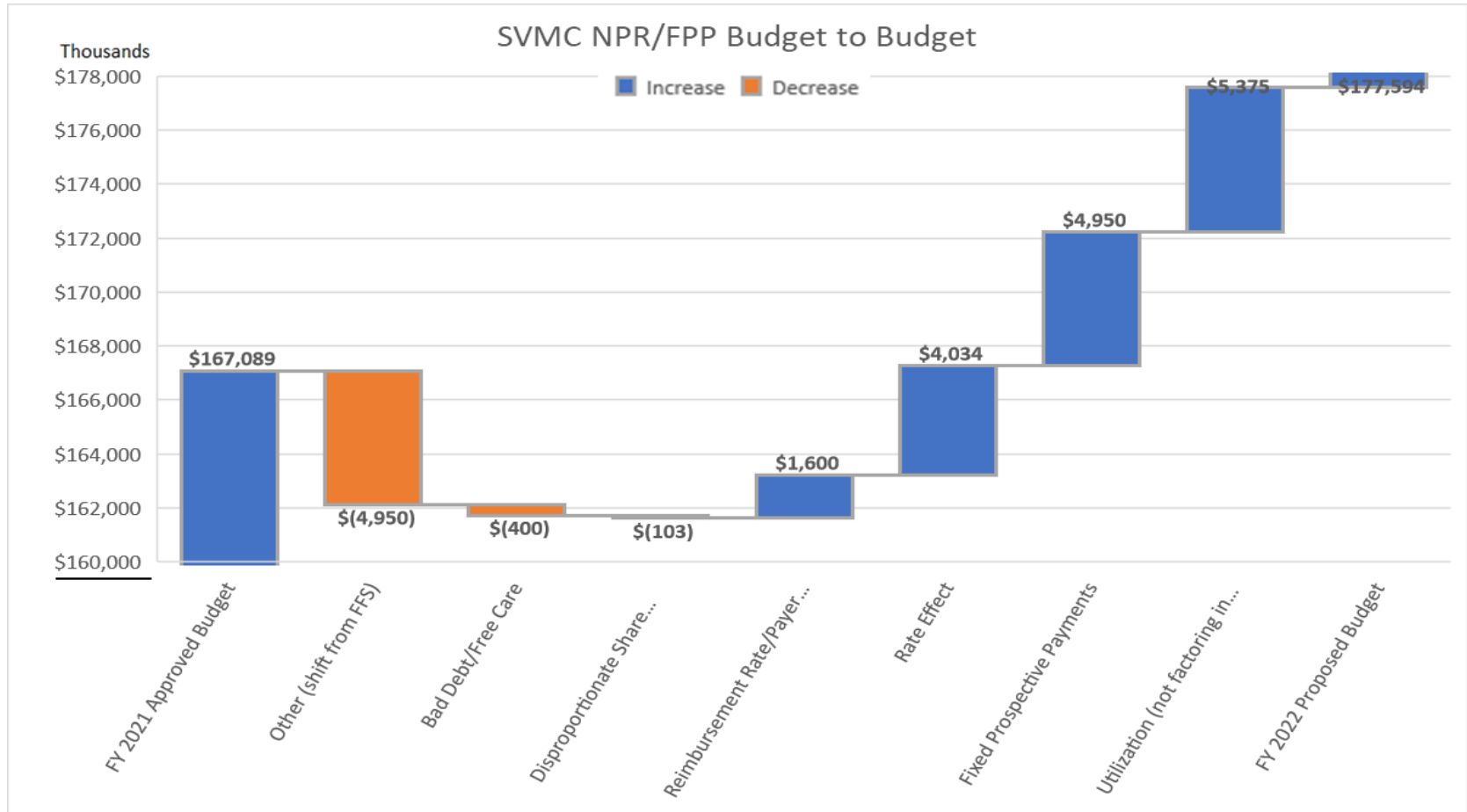
SVMC Performance vs. 3.5% Trending



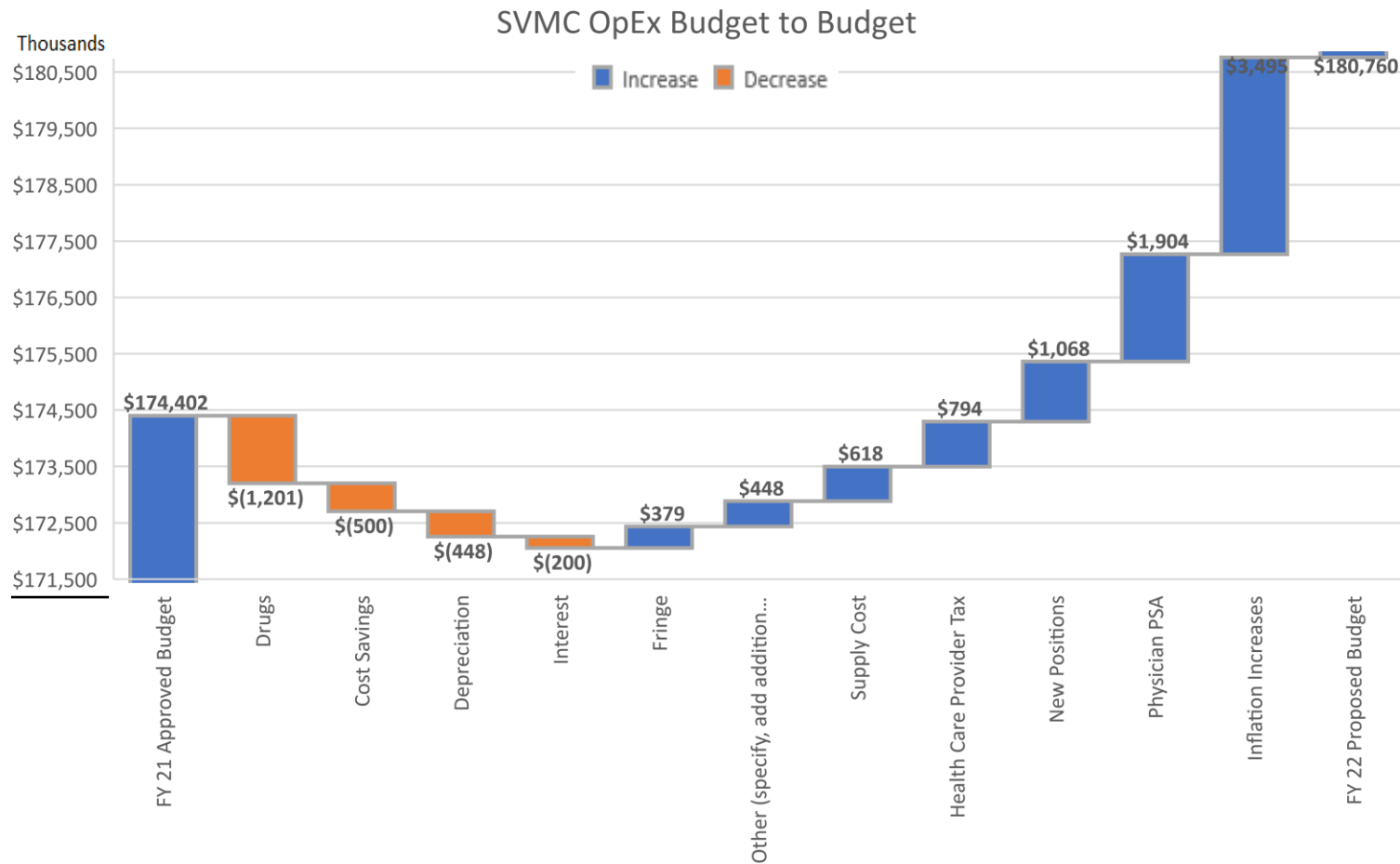
Hospital Justification:

- Continued Recovery Budget, conservative with FY21 Budgetary unknowns.
- B-to-B NPR/FPP growth 5.7% (after COVID allowance) consisting of 3% rate contribution and 2.7% volume contribution. Op. Ex. Growth B-to-B is 3.65%.
- Target a 3.0% operating margin, FY22 margin is 2.0%.
- Volumes expected to be higher than FY21, especially in primary care.
- Looking to engage 3rd party to review cost centers for efficiency potential.
- Engaged in Payment Reform.

SVMC NPR/FPP Drivers: FY2021B-FY2022B



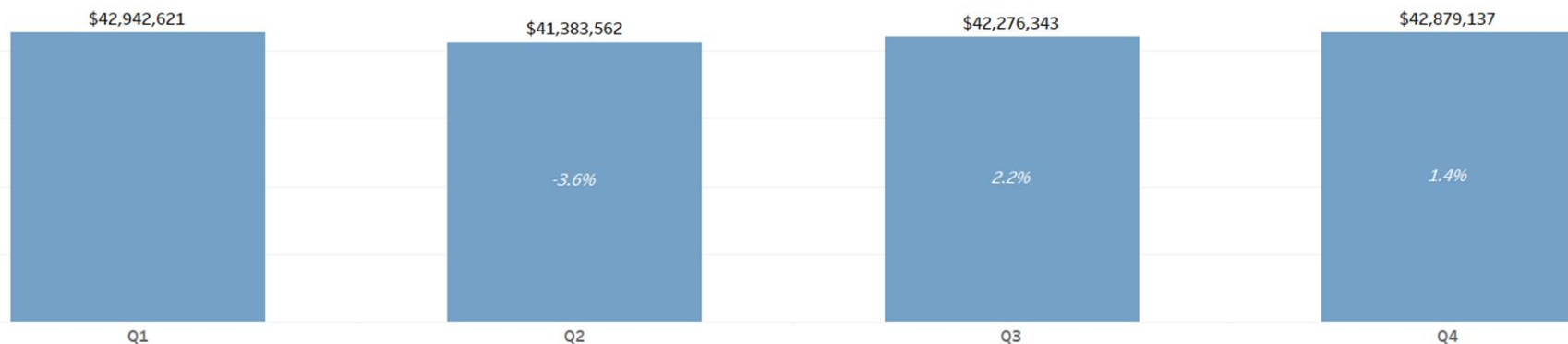
SVMC Operating Expense Drivers: FY2021B-FY2022B



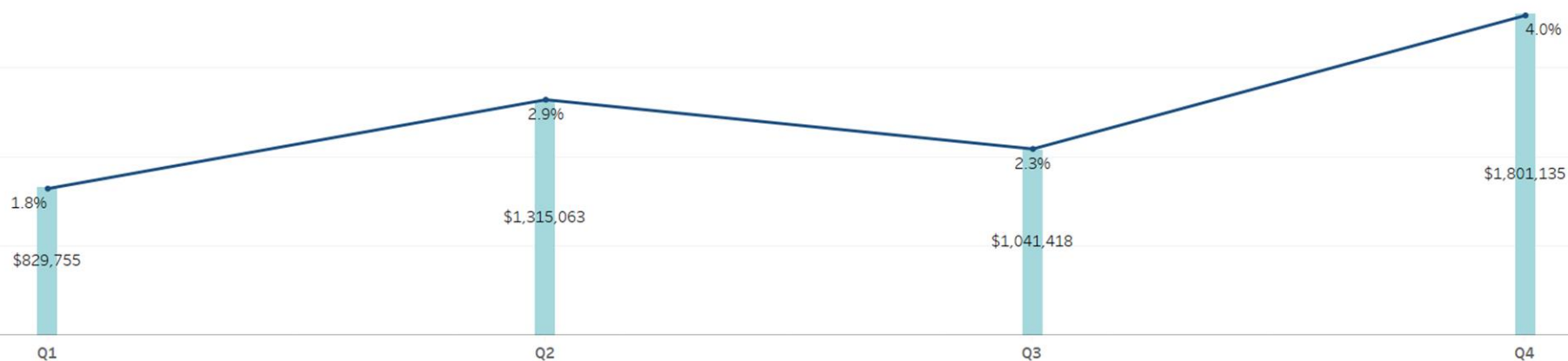
Southwestern Vermont Medical Center: FY2021 Operating Performance



Quarterly NPR/FPP and Growth (%)
Southwestern VT Medical Center



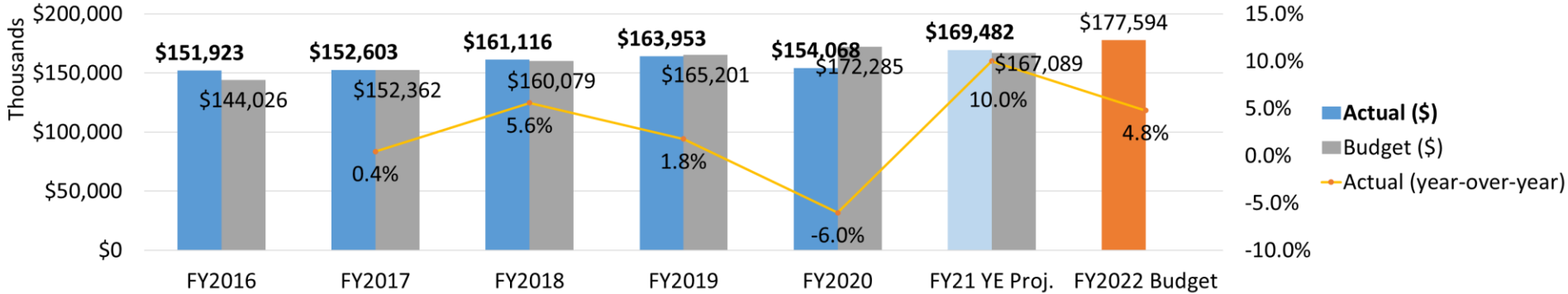
Operating Margin for Southwestern VT Medical Center



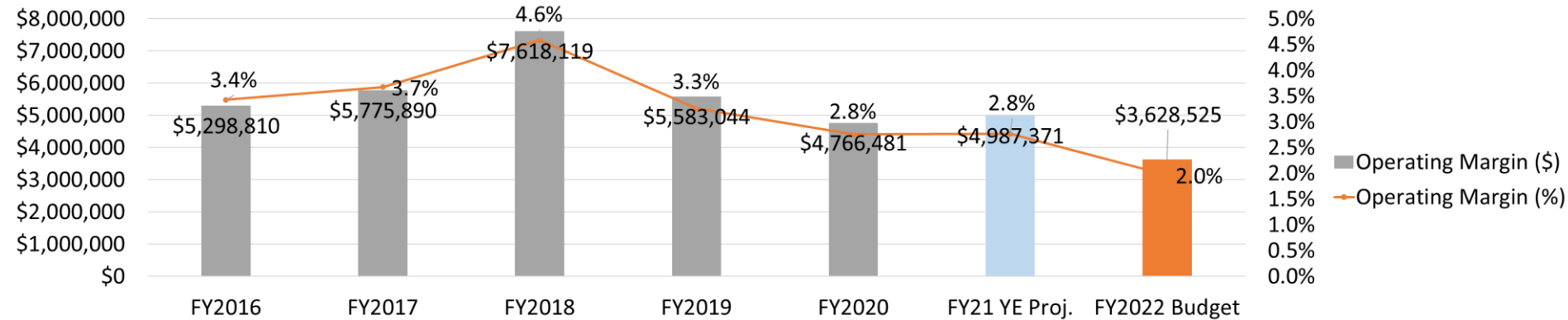
Southwestern Vermont Medical Center: Historical Operating Performance



**NPR/FPP
2016-present**



**Operating Margin
2016-present**



Southwestern Vermont Medical Center: Change in Charge

Request	
Overall Change in Charge %	4.80%
NPR due to Change in Charge	\$4,033,529
Value of 1% Change in Charge	\$840,318

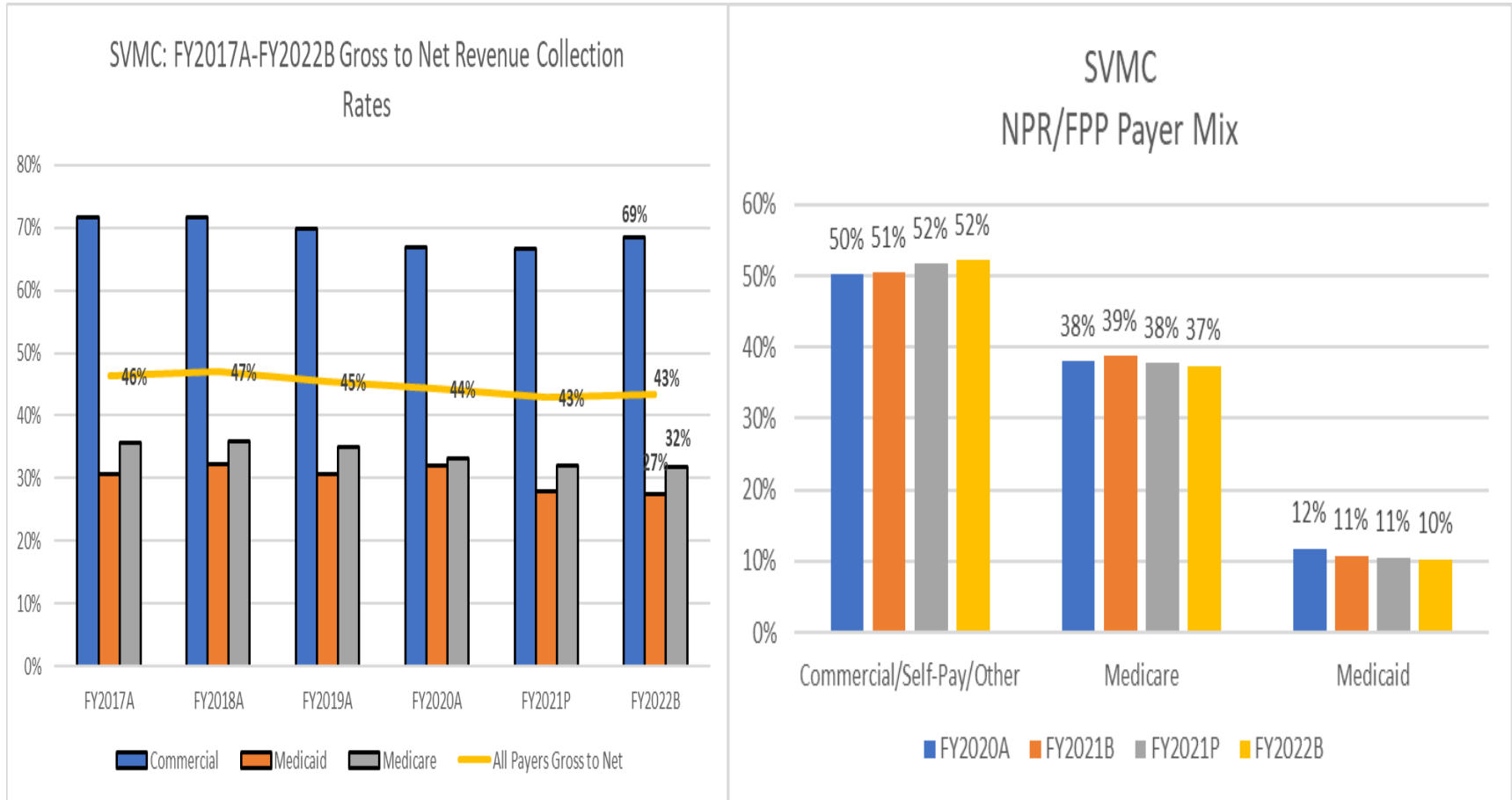
Service Category	
Hospital Inpatient Change in Gross	4.80%
Hospital Outpatient Change in Gross Charges	4.80%
Professional Services Change in Gross Charges	0.0%

Payer	
Commercial	\$4,033,259
Medicaid	\$0
Medicare	\$0

NPR/FPP & Change in Charge Increase	
FY22 Request (\$ change FY21B)	\$10,505,311
Change in Charge (\$)	\$4,033,259

	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	3.4%	2.9%	3.0%	2.8%	3.5%	3.1%
Submitted	3.9%	2.9%	3.2%	2.8%	3.5%	3.3%

Southwestern Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)



Southwestern Vermont Medical Center: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.3% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.7%.	<ul style="list-style-type: none">• Approve as submitted	Approved as submitted on 9/1/2021.
Change in Charge	4.8%	<ul style="list-style-type: none">• Approve as submitted	Approved as submitted on 9/1/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve Southwestern Vermont Medical Center's budget as submitted, with a 6.30% **increase** from FY2021 to FY2022 budgeted NPR/FPP, a 4.80% **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Rutland Regional Medical Center (RRMC)



NPR/FPP

FY21 Budget-to-Projection Variance	7.8%
FY21 Budget (\$)	\$247,487,684
FY21 Projection (\$)	\$266,868,813
FY22 Request (\$)	\$270,361,370
FY22 Request (% change FY21B)	9.2%
FY22 Request (% change FY21P)	1.3%

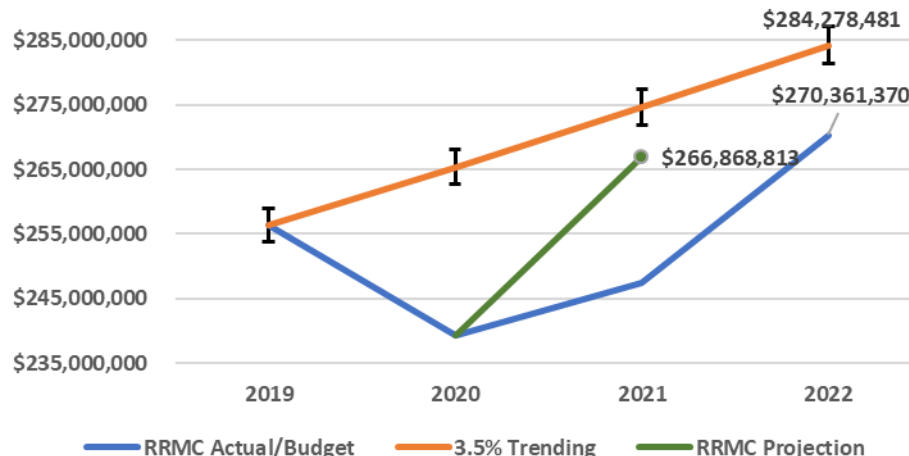
RRMC's 9.2% request is over the 3.5% growth rate guidance

Change in Charges

Commercial	\$4,427,806
Medicaid	\$0
Medicare	\$0
Self-Pay/Other	\$106,512

3.64% Overall Charge Master Increase

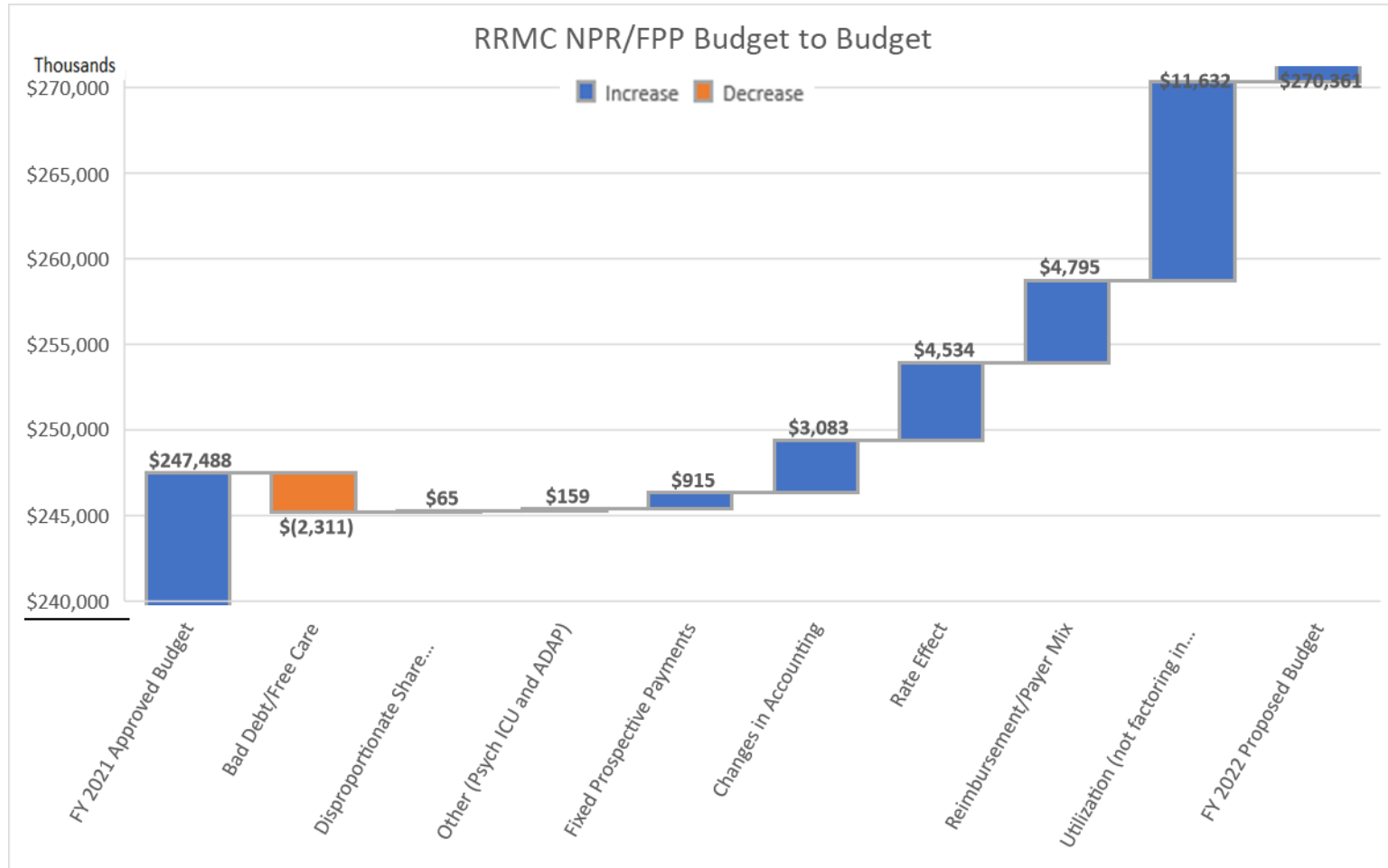
RRMC Performance vs. 3.5% Trending



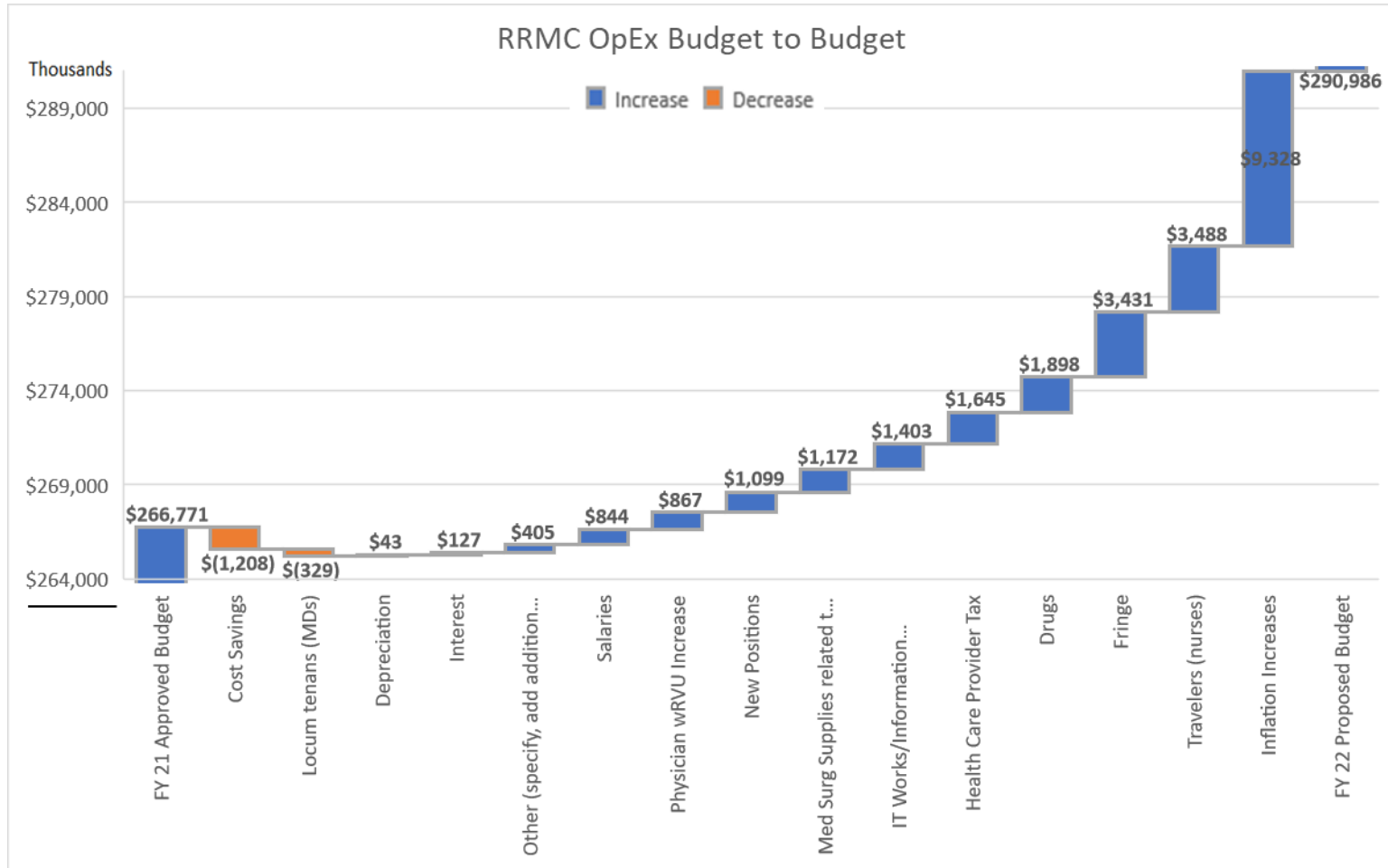
Hospital Justification:

- Staffing issues/challenges, including costly traveling staff.
- Increased utilization is offsetting inflationary factors and driving NPR/FPP increase.
- RRMC's financial stability is keeping rate request low.
- Utilizing participation in ACO to better align services.
- Conservative FY21 budget drives B-to-B NPR variance of 9.2%; B-to-P only 1.3%.
- FY22 budget is difficult to create as the budget base is incredible.

RRMC NPR/FPP Drivers: FY2021B-FY2022B

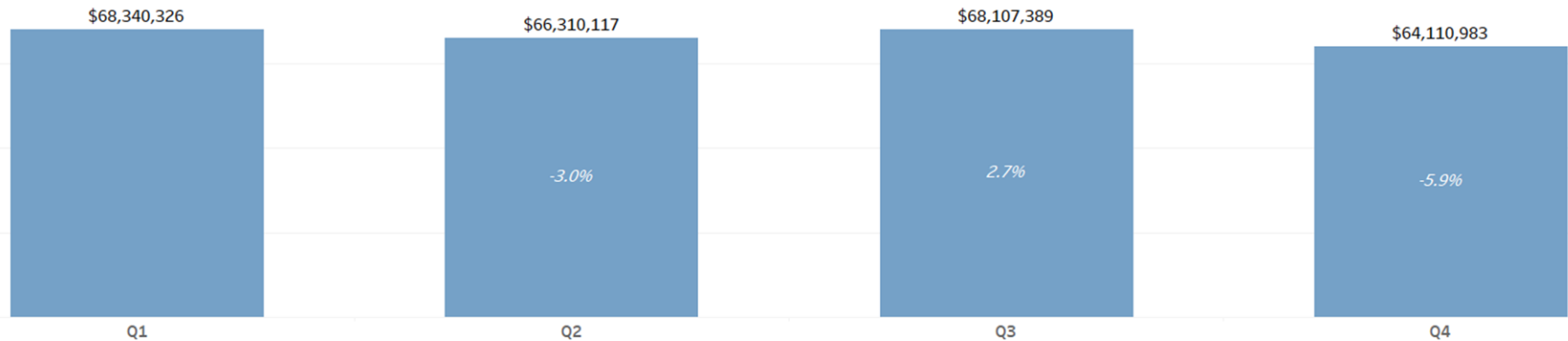


RRMC Operating Expense Drivers: FY2021B-FY2022B

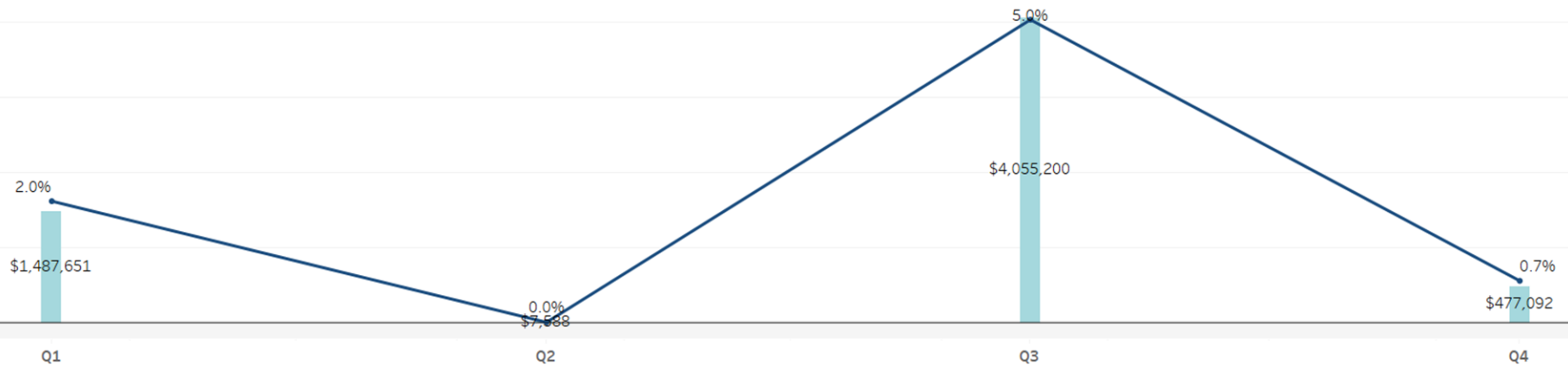


Rutland Regional Medical Center: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Rutland Regional Medical Center



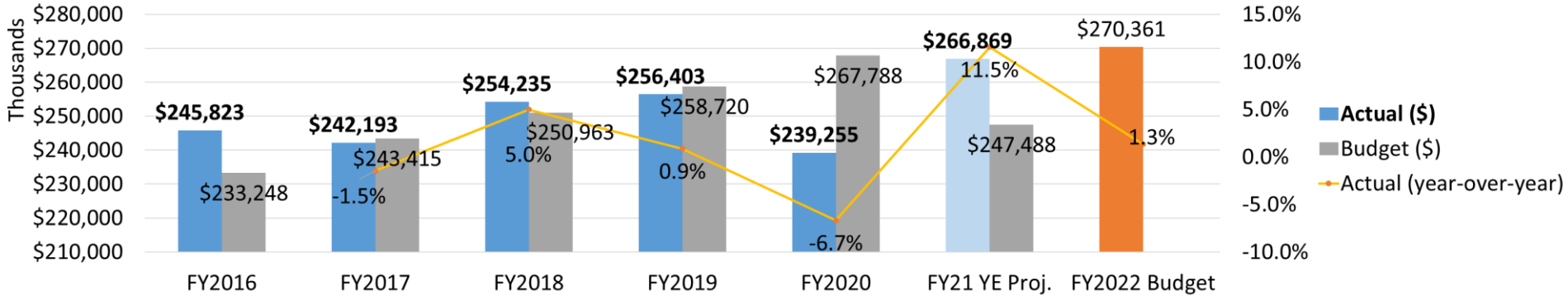
Operating Margin for Rutland Regional Medical Center



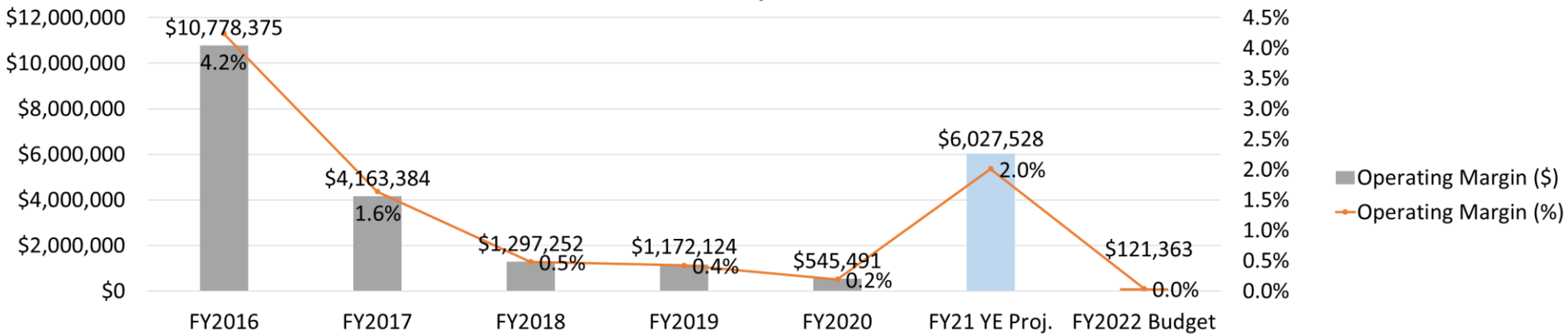
Rutland Regional Medical Center: Historical Operating Performance



**NPR/FPP
2016-present**



**Operating Margin
2016-present**

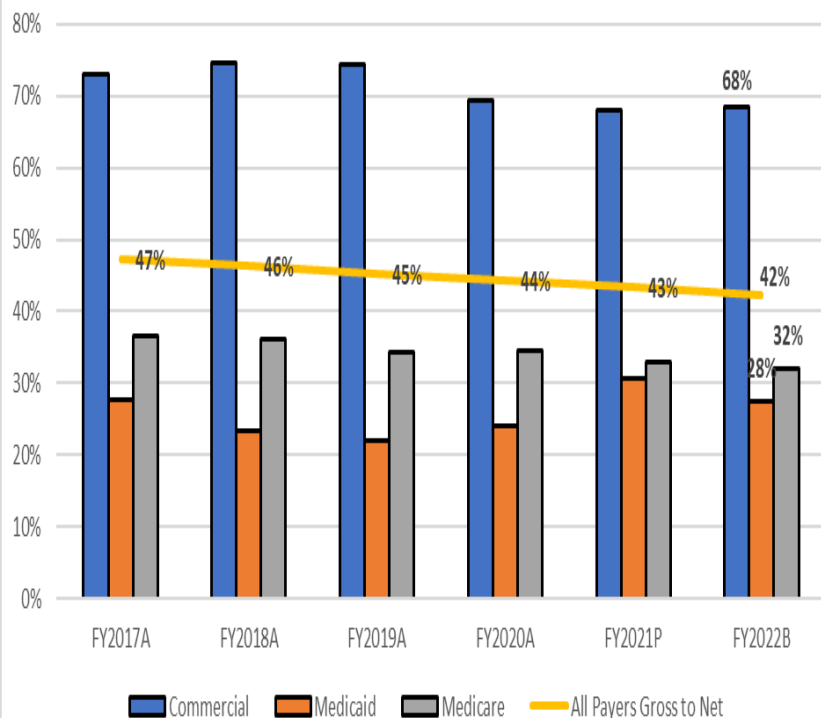


Rutland Regional Medical Center: Change in Charge

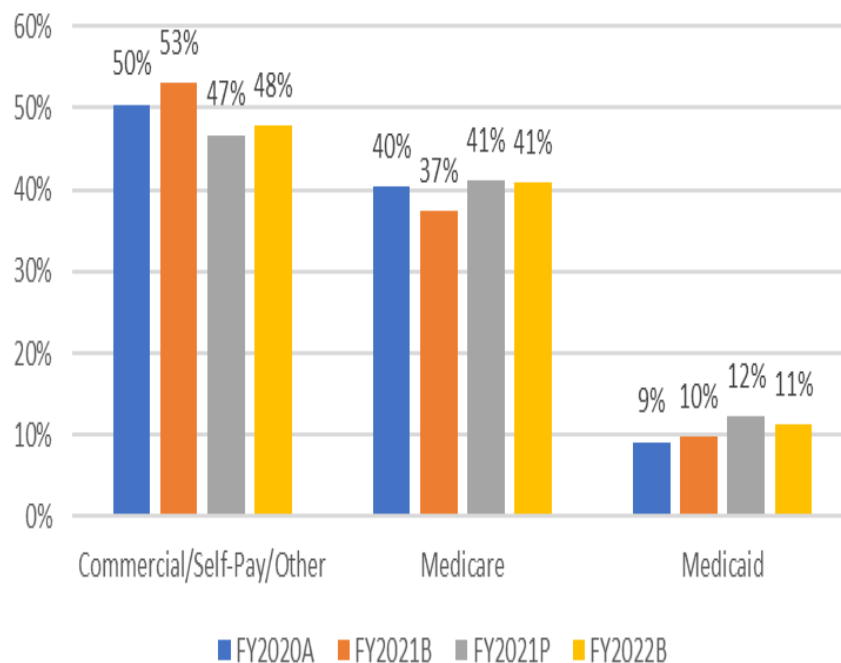
Request						
Overall Change in Charge %	3.64%					
NPR due to Change in Charge	\$4,534,318					
Value of 1% Change in Charge	\$1,246,892					
Service Category						
Hospital Inpatient Change in Gross	4.0%					
Hospital Outpatient Change in Gross Charges	4.2%					
Professional Services Change in Gross Charges	-0.3%					
Payer						
Commercial	\$4,427,806					
Medicaid	\$0					
Medicare	\$0					
Self-Pay/Other	\$106,512					
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)	\$22,873,687					
Change in Charge (\$)	\$4,534,318					
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	-5.1%	4.9%	2.6%	2.7%	6.0%	2.2%
Submitted	-5.1%	4.9%	3.0%	2.7%	6.0%	2.3%

Rutland Regional Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

RRMC: FY2017A-FY2022B Gross to Net Revenue Collection Rates



RRMC
NPR/FPP Payer Mix



Rutland Regional Medical Center: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	9.2% request is in excess of the budget-to-budget growth rate guidance with COVID allowance growth is 9.0%.	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Change in Charge	3.64%	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve Rutland Regional Medical Center's budget as submitted, with a 9.20% **increase** from FY2021 to FY2022 budgeted NPR/FPP, a 3.64% **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Northeastern Vermont Regional Hospital (NVRH)



NPR/FPP

FY21 Budget-to-Projection Variance	3.5%
FY21 Budget (\$)	\$90,525,300
FY21 Projection (\$)	\$93,724,962
FY22 Request (\$)	\$97,368,788
FY22 Request (% change FY21B)	7.6%
FY22 Request (% change FY21P)	3.9%

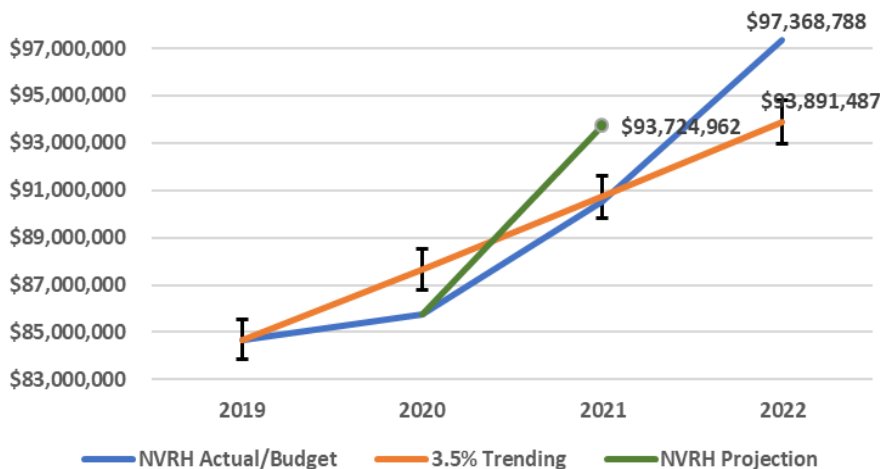
NVRH's 7.6% request is higher than the 3.5% growth rate guidance.

Change in Charges

Commercial	\$1,155,900
Medicaid	\$0
Medicare	\$0
Self-Pay/Other	\$47,900

3.0% Overall Charge Master Increase

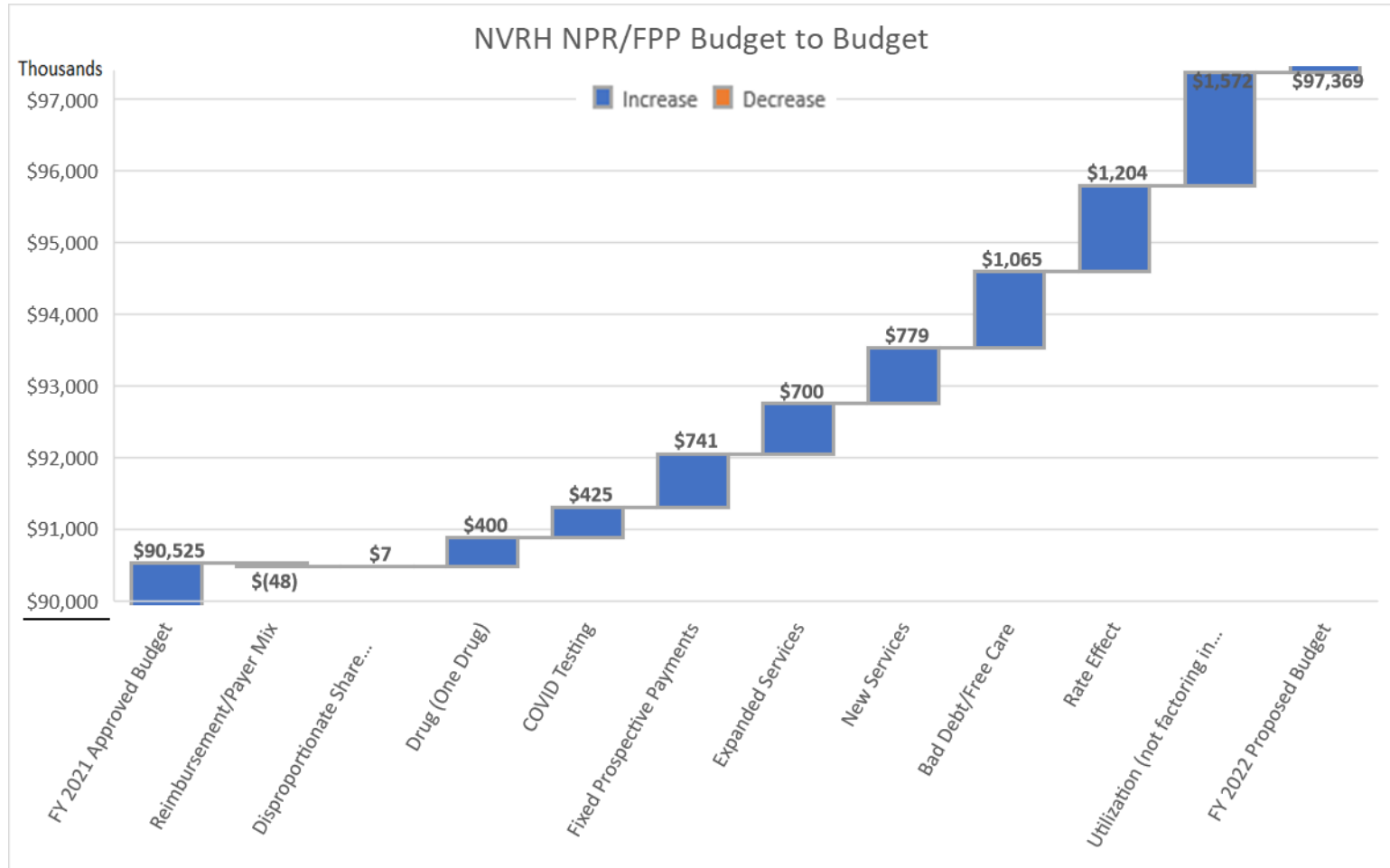
NVRH Performance vs. 3.5% Trending



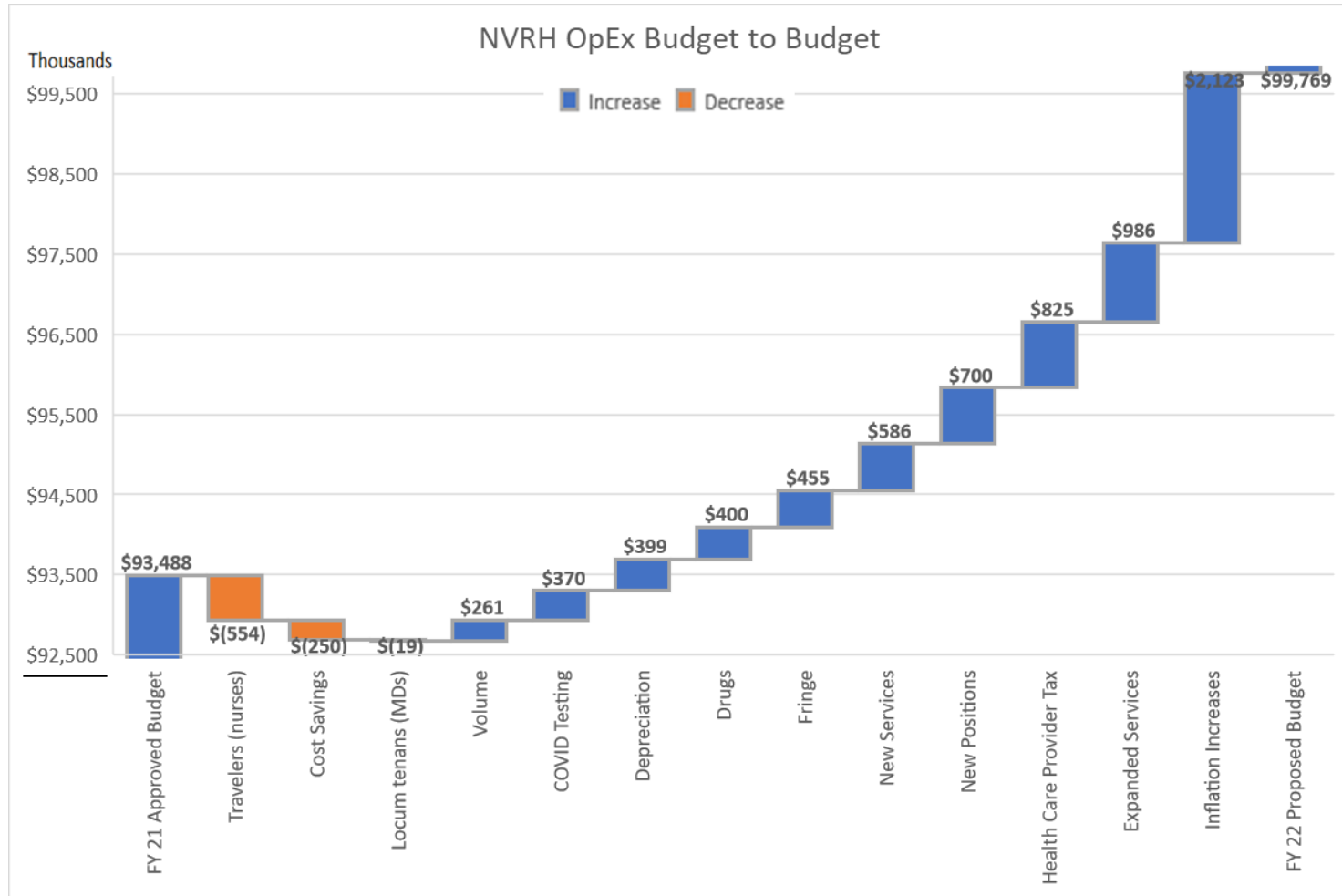
Hospital Justification:

- At or above capacity.
- Significant inflationary pressures.
- Expanding/adding services to meet community needs.
- Price comparison analysis to determine overall charge master increase strategy.
- Volumes expected to return to 2019/pre-COVID levels.
- Ongoing efforts to reduce avoidable ED utilization.

NVRH NPR/FPP Drivers: FY2021B-FY2022B

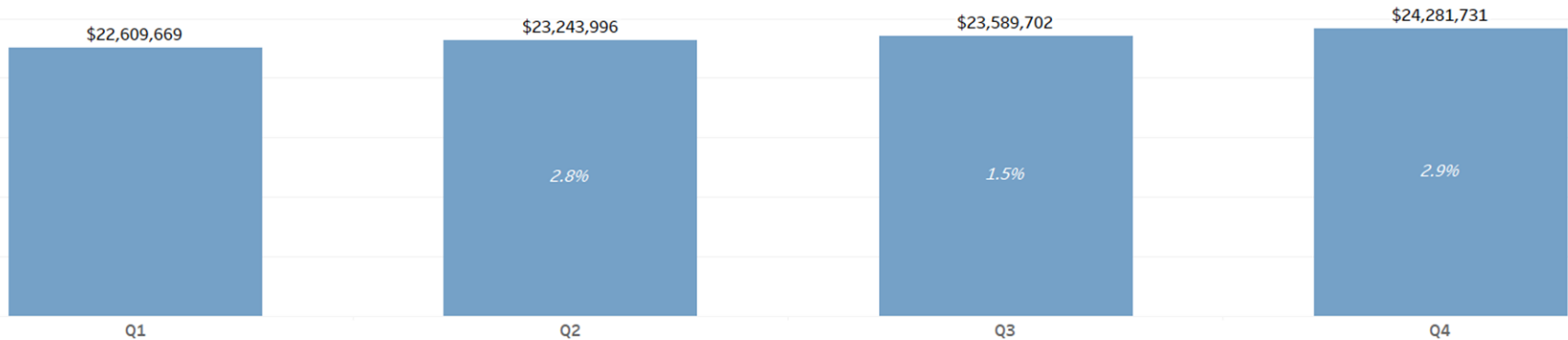


NVRH Operating Expense Drivers: FY2021B-FY2022B

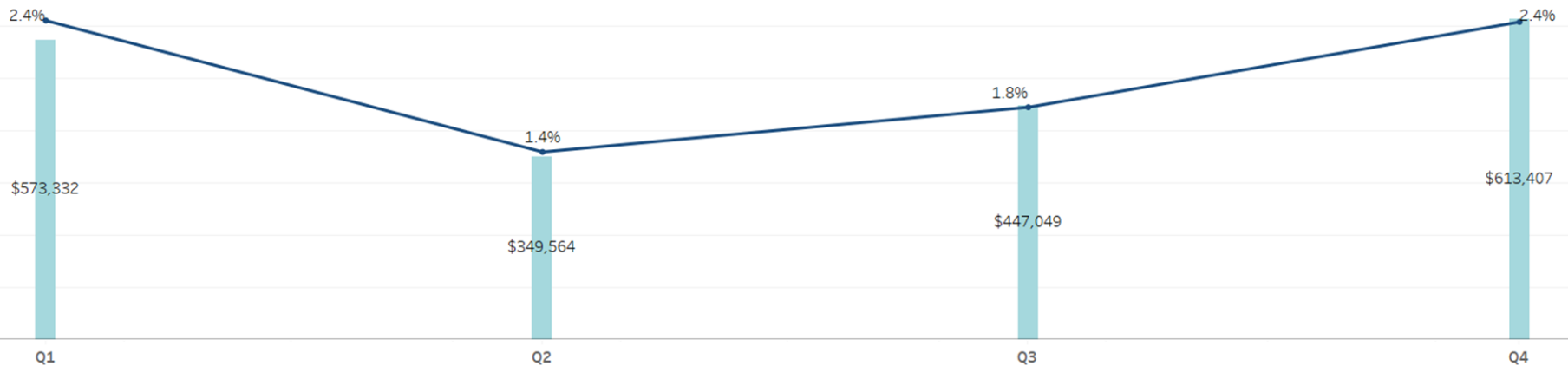


Northeastern Vermont Regional Hospital: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Northeastern VT Regional Hospital



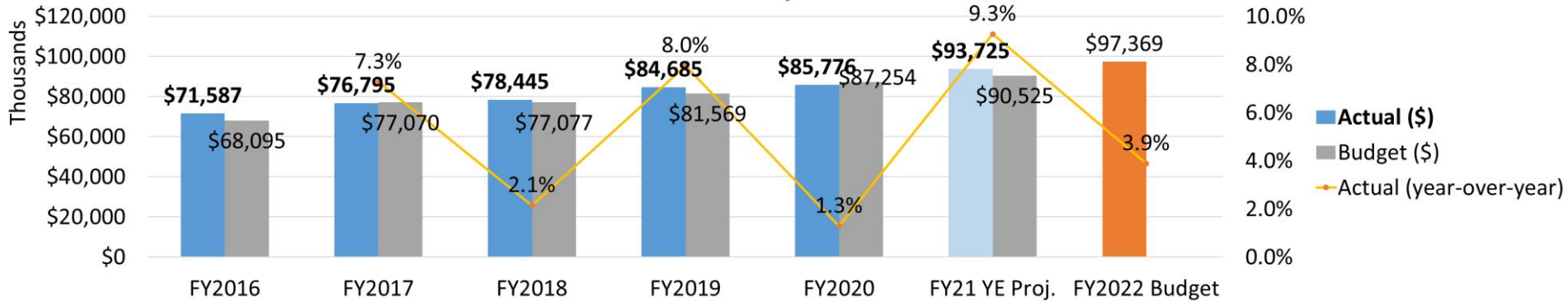
Operating Margin for Northeastern VT Regional Hospital



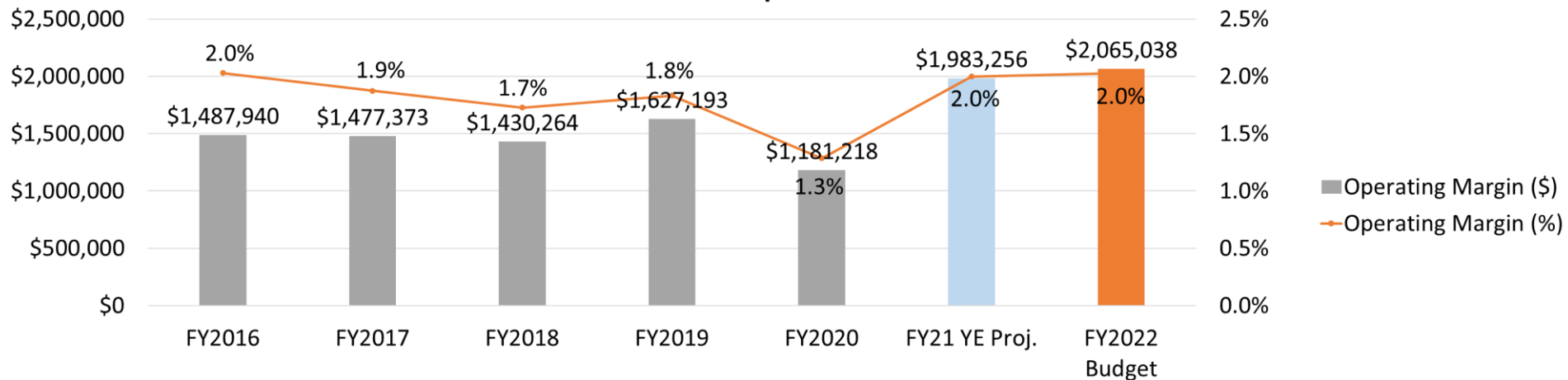
Northeastern Vermont Regional Hospital: Historical Operating Performance



**NPR/FPP
2016-present**



**Operating Margin
2016-present**



Northeastern Vermont Regional Hospital: Change in Charge

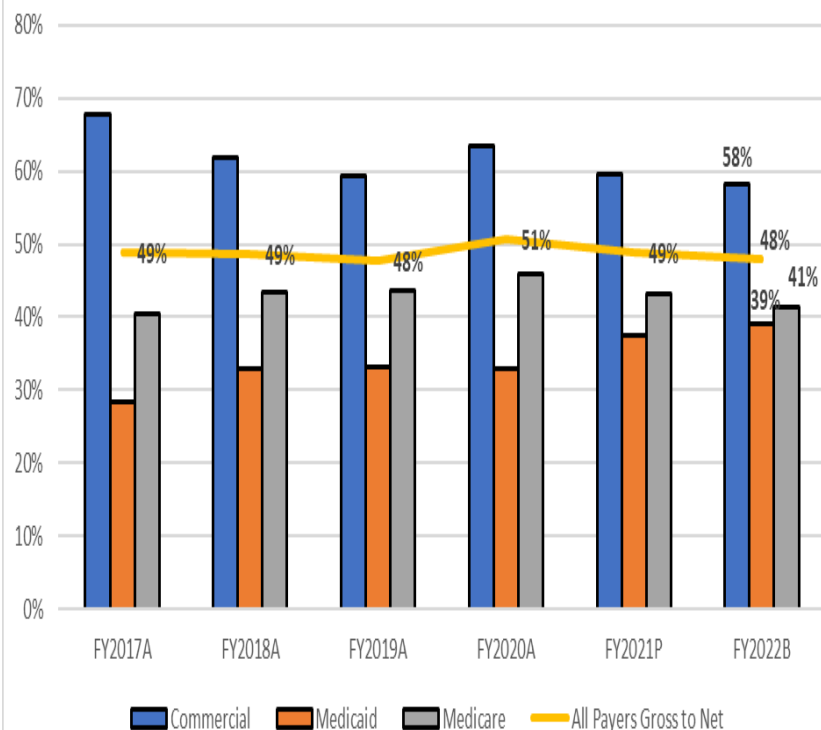


Request	
Overall Change in Charge %	3.0%
NPR due to Change in Charge	\$1,203,800
Value of 1% Change in Charge	\$401,300
Service Category	
Hospital Inpatient Change in Gross	3.4%
Hospital Outpatient Change in Gross Charges	3.4%
All Other Change in Gross Charges	0.0%
Payer	
Commercial	\$1,155,900
Medicaid	\$0
Medicare	\$0
Total Self-Pay/Other	\$47,900
NPR/FPP & Change in Charge Increase	
FY22 Request (\$ change FY21B)	\$6,843,488
Change in Charge (\$)	\$1,203,800

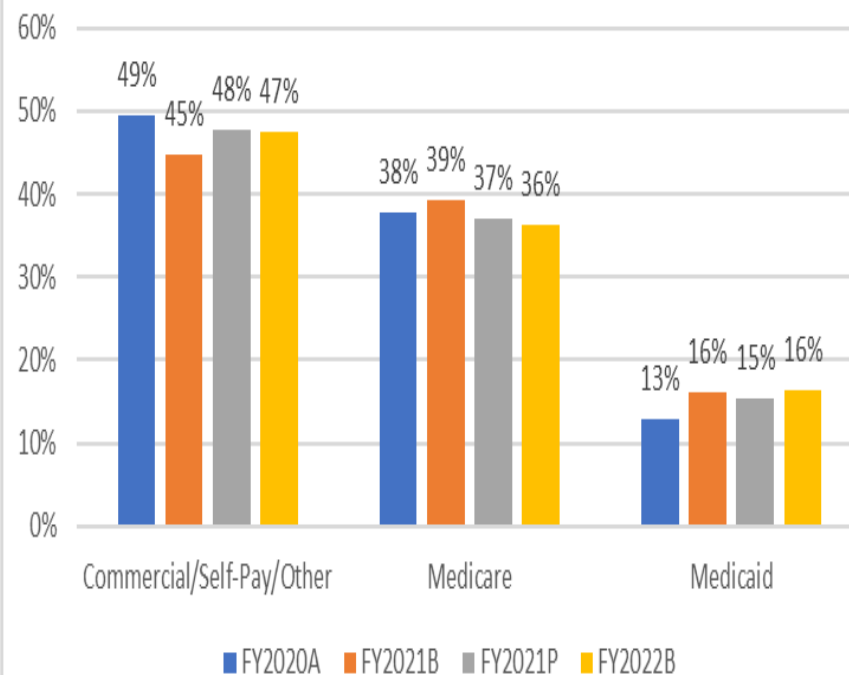
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	3.8%	3.2%	3.0%	3.0%	3.9%	3.4%
Submitted	3.8%	4.3%	4.0%	3.5%	3.9%	3.9%

Northeastern Vermont Regional Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

NVRH: FY2017A-FY2022B Gross to Net Revenue Collection Rates



NVRH
NPR/FPP Payer Mix



Northeastern Vermont Regional Hospital: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	7.6% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 7.1%.	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Change in Charge	3.0%	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve Northeastern Vermont Regional Hospital's budget as submitted, with a 7.60% **increase** from FY2021 to FY2022 budgeted NPR/FPP, a 3.00% standard **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Mt. Ascutney Hospital & Health Center (MAHHC)



NPR/FPP

FY21 Budget-to-Projection Variance	7.6%
FY21 Budget (\$)	\$56,211,391
FY21 Projection (\$)	\$60,488,476
FY22 Request (\$)	\$59,640,912
FY22 Request (% change FY21B)	6.1%
FY22 Request (% change FY21P)	-1.4%

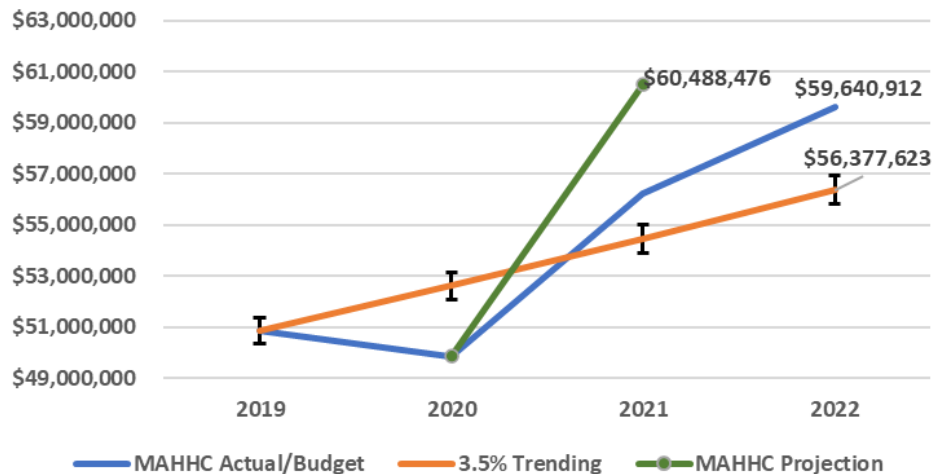
MAHHC's 6.1% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$452,879
Medicaid	\$56,282
Medicare	\$565,870

2.20% Overall Charge Master Increase

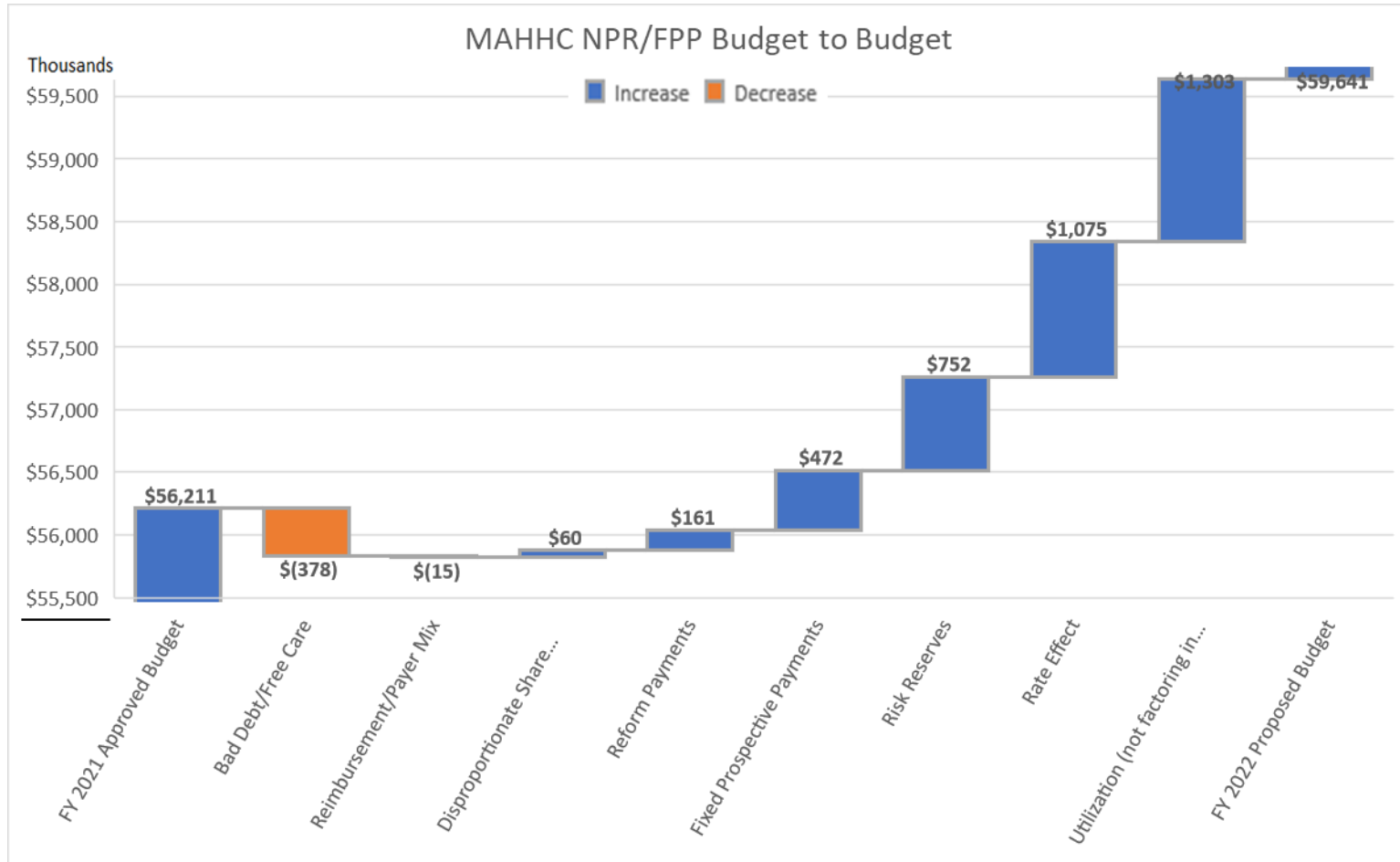
MAHHC Performance vs. 3.5% Trending



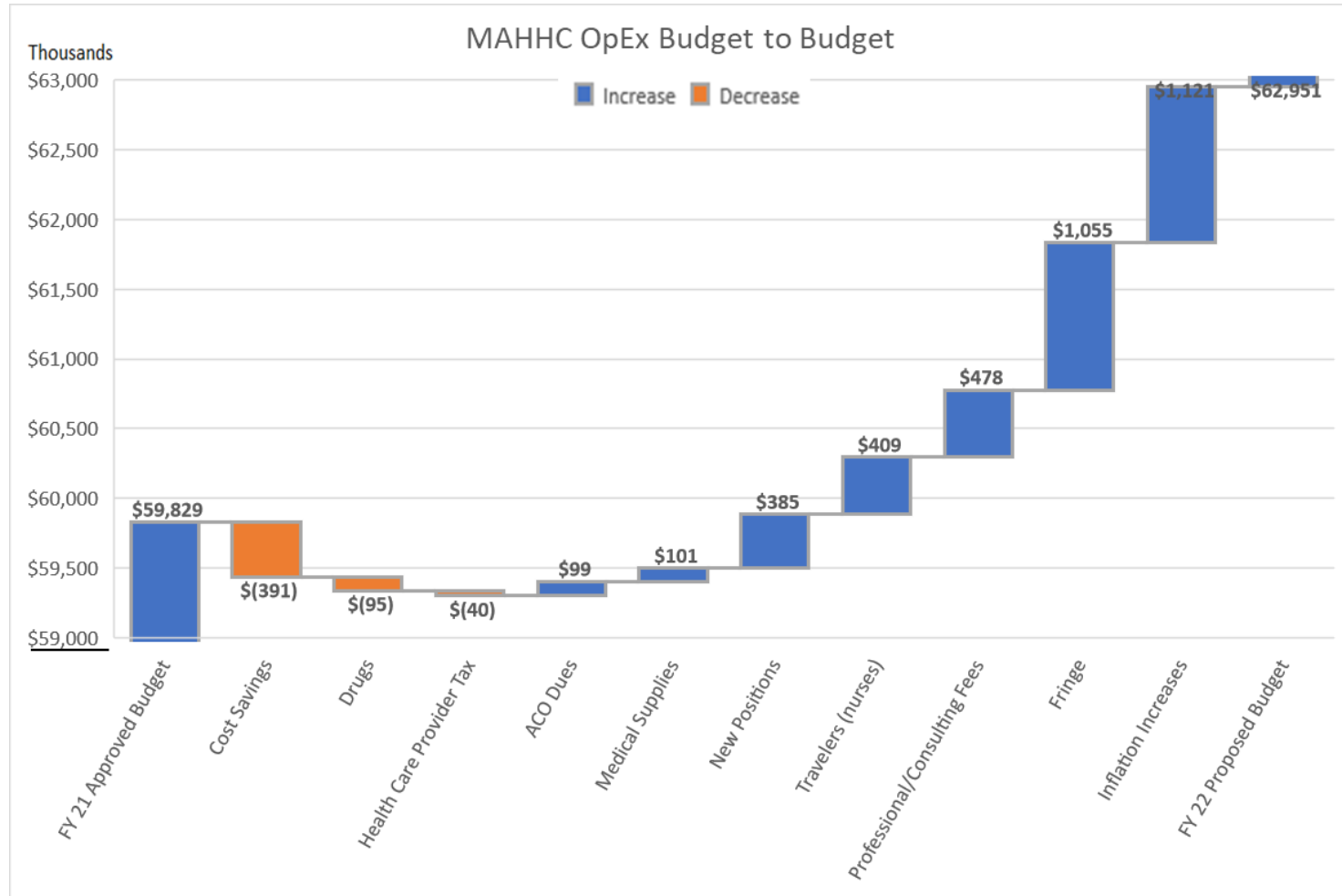
Hospital Justification:

- Continued integration with D-HH systems, labor, and service lines.
- Capital Projects returning, including EHR integration with D-HH.
- Lost some providers.
- Inflationary and staffing pressures.
- Working with other area providers to maximize scarce resources.
- Actively working to reduce prices on ancillary services, therefore, requested increase overall is 2.2%.
- Continuing to get back to better financial outcomes.

MAHHC NPR/FPP Drivers: FY2021B-FY2022B

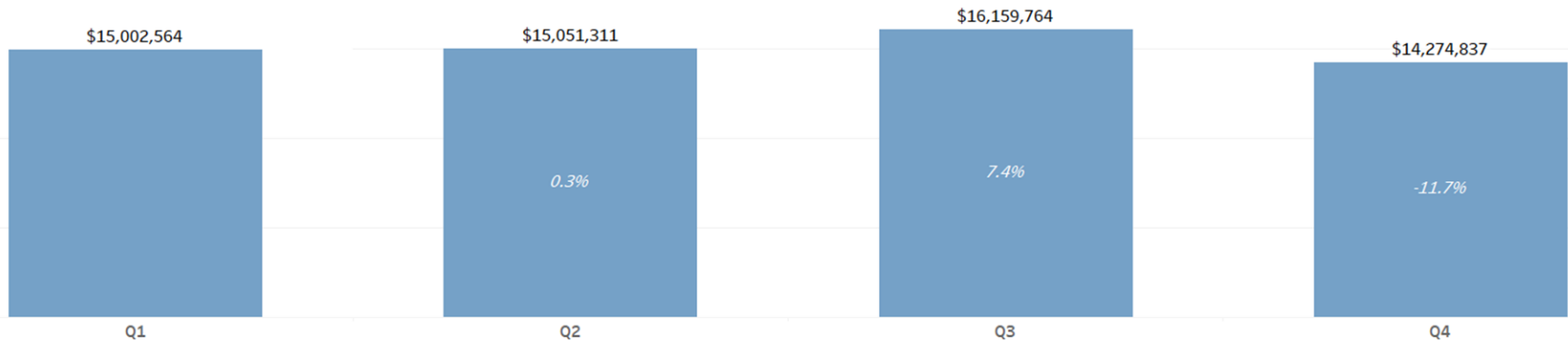


MAHHC Operating Expense Drivers: FY2021B-FY2022B

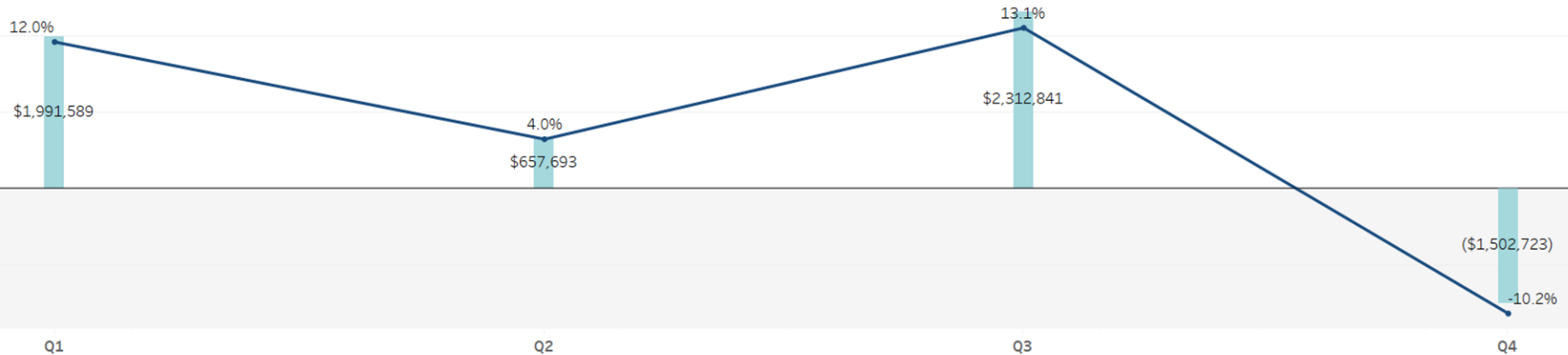


Mt. Ascutney Hospital & Health Center: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Mt. Ascutney Hospital & Health Ctr



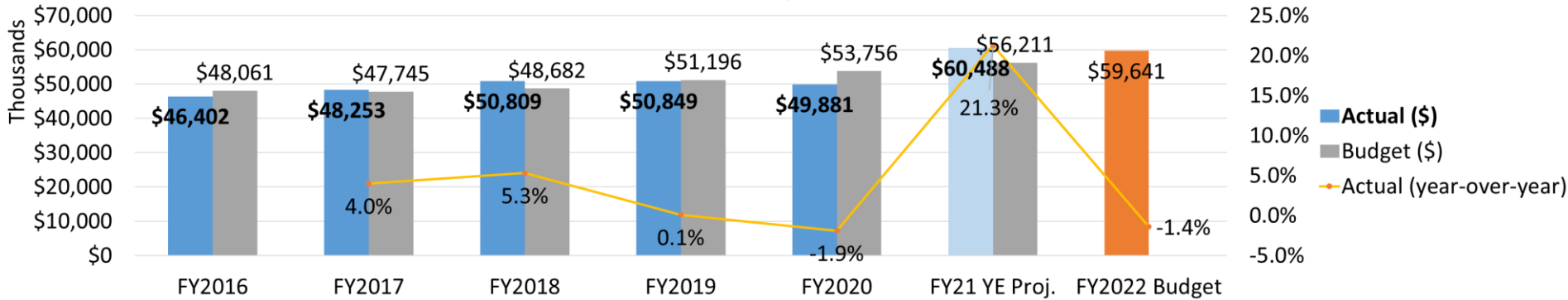
Operating Margin for Mt. Ascutney Hospital & Health Ctr



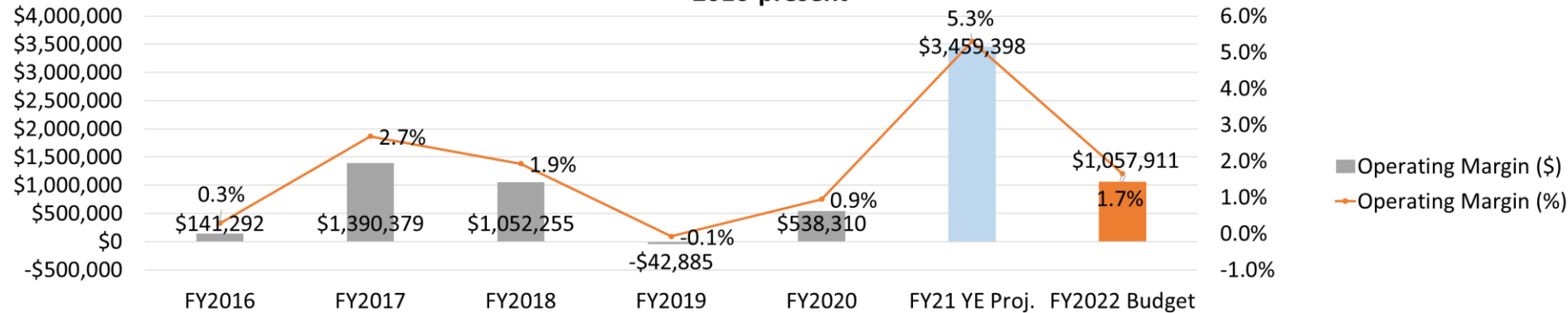
Mt. Ascutney Hospital & Health Center: Historical Operating Performance



**NPR/FPP
2016-present**



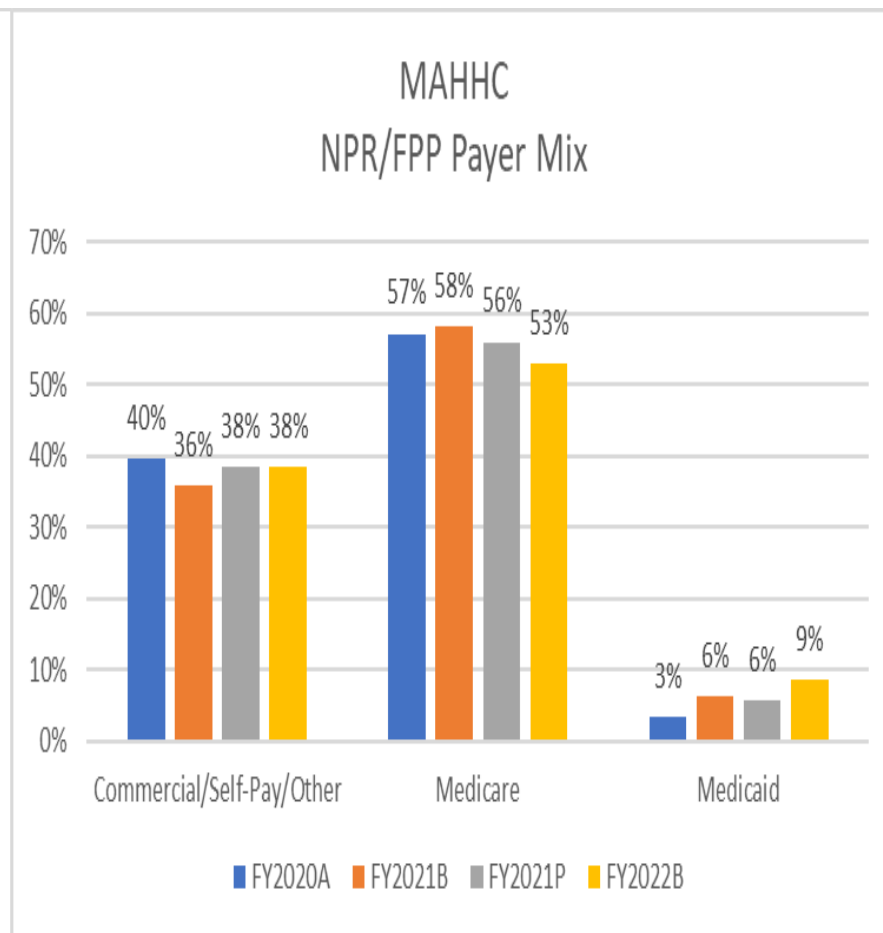
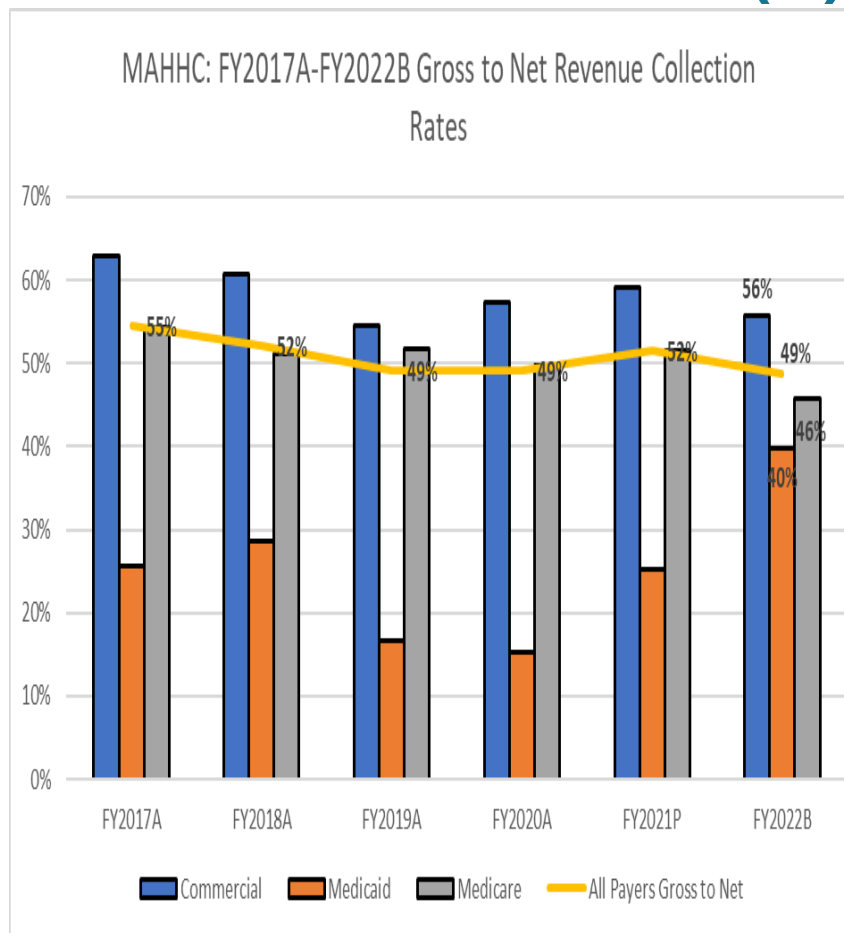
**Operating Margin
2016-present**



Mt. Ascutney Hospital & Health Center: Change in Charge

Request						
Overall Change in Charge %						2.20%
NPR due to Change in Charge						\$1,075,031
Value of 1% Change in Charge						\$488,650
Service Category						
Hospital Inpatient Change in Gross Charges						2.20%
Hospital Outpatient Change in Gross Charges						2.20%
Professional Services Change in Gross Charges						2.20%
Payer						
Commercial						\$452,879
Medicaid						\$56,282
Medicare						\$565,870
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)						\$3,429,520
Change in Charge (\$)						\$1,075,031
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	4.9%	4.9%	2.9%	3.2%	4.6%	4.1%
Submitted	4.9%	4.9%	2.9%	3.2%	4.6%	4.1%

Mt. Ascutney Hospital & Health Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)



Mt. Ascutney Hospital & Health Center: Recommendations



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.1% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.6%.	<ul style="list-style-type: none">• Approve as submitted	Approved as submitted on 9/1/2021.
Change in Charge	2.20%	<ul style="list-style-type: none">• Approve as submitted	Approve as submitted on 9/1/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve Mt. Ascutney Hospital & Health Center's budget as submitted, with a 6.10% **increase** from FY2021 to FY2022 budgeted NPR/FPP, a 2.20% standard **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

North Country Hospital (NCH)



NPR/FPP

FY21 Budget-to-Projection Variance	3.9%
FY21 Budget (\$)	\$82,736,960
FY21 Projection (\$)	\$85,938,930
FY22 Request (\$)	\$88,784,695
FY22 Request (% change FY21B)	7.3%
FY22 Request (% change FY21P)	3.3%

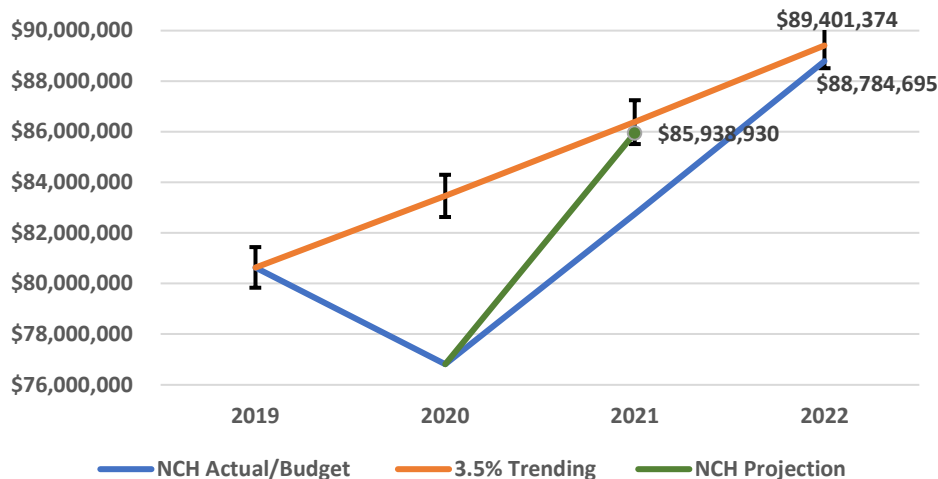
NCH's 7.3% request is higher than the 3.5% growth rate guidance.

Change in Charges

Commercial	\$2,134,778
Medicaid	\$0
Medicare	\$950,141
Self-Pay/Other	\$47,662

4.90% Overall Charge Master Increase

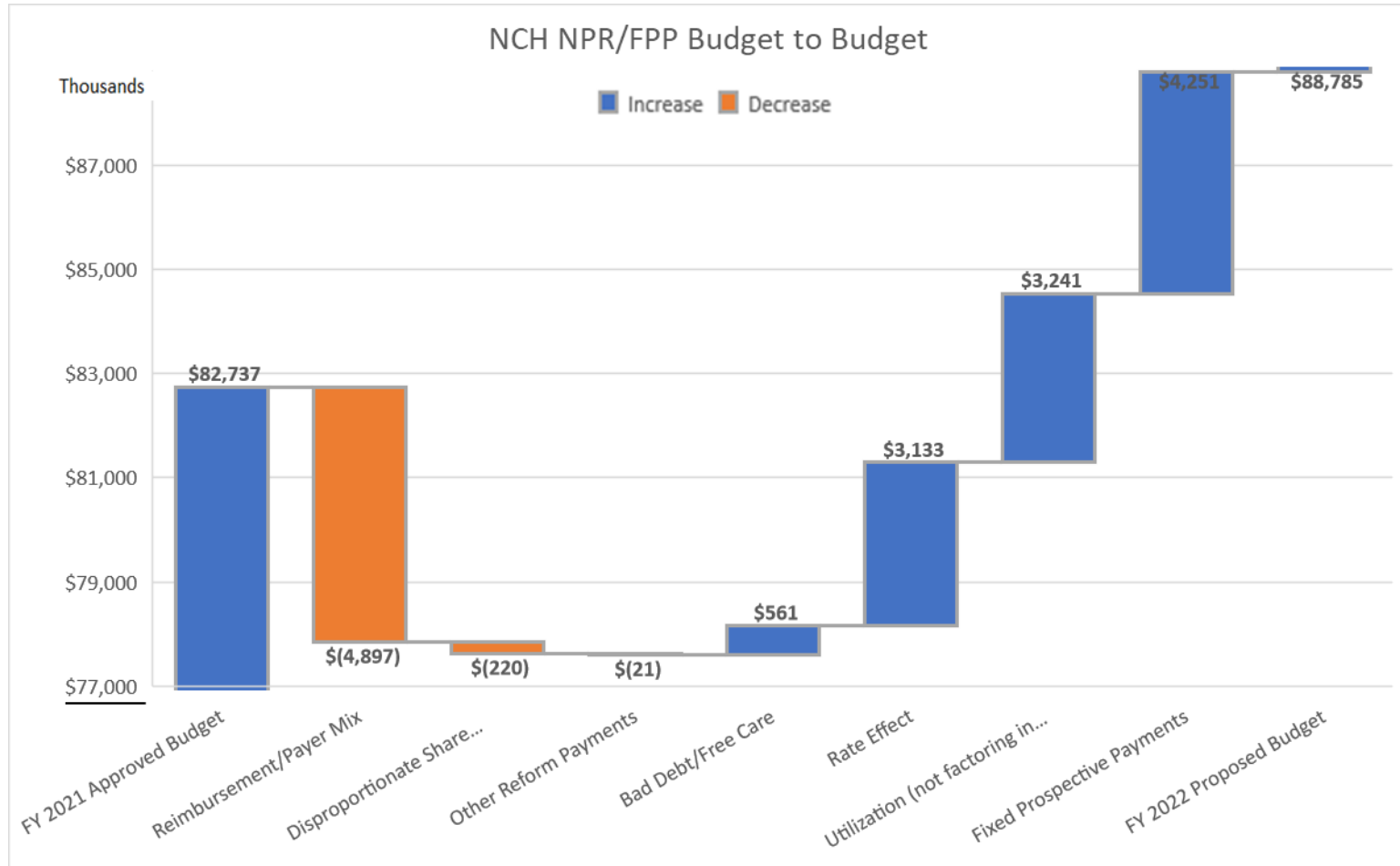
NCH Performance vs. 3.5% Trending



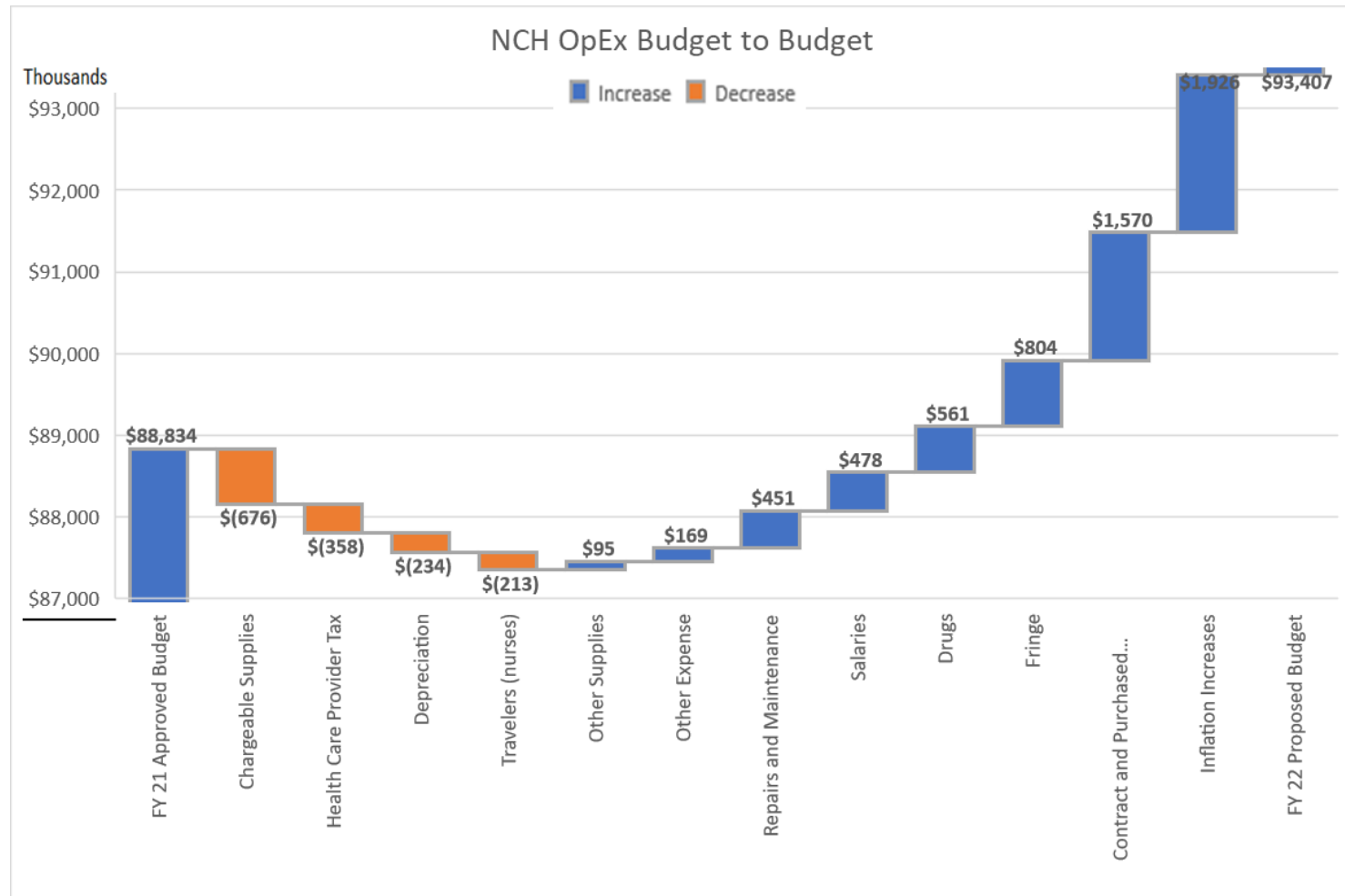
Hospital Justification:

- Staffing shortages and challenges.
- Reinvestment in aging physical plant.
- NPR increase 50%-Utilization; 50%-Rate
- Charge 4.9%: 3.3% - wages, supplies, employee health insurance; 1.6% - Cerner conversion costs.
- Quick utilization return from Pandemic.

NCH NPR/FPP Drivers: FY2021B-FY2022B

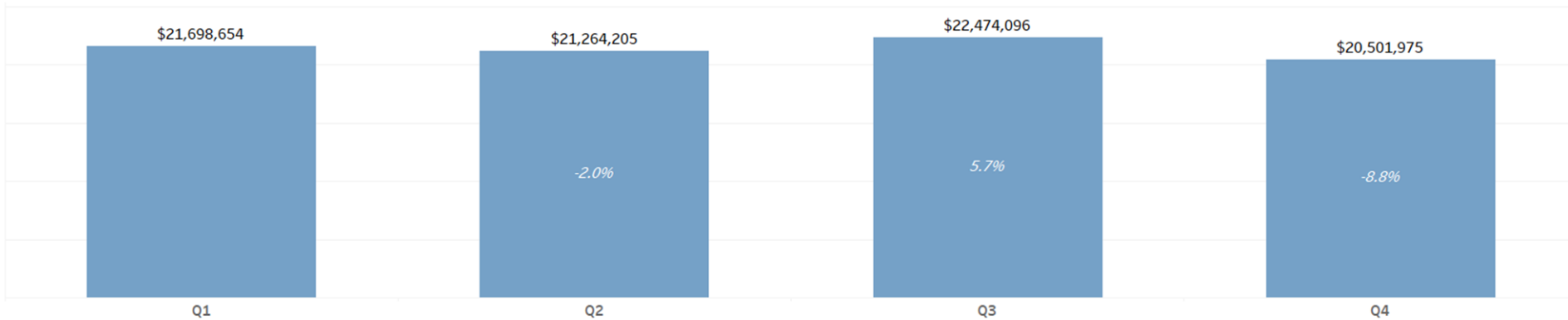


NCH Operating Expense Drivers: FY2021B-FY2022B

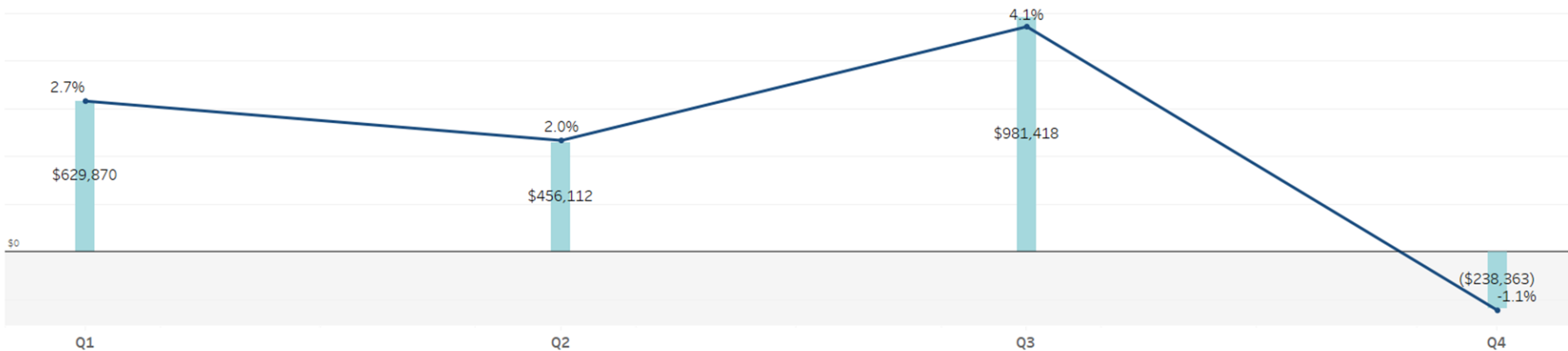


North Country Hospital: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
North Country Hospital

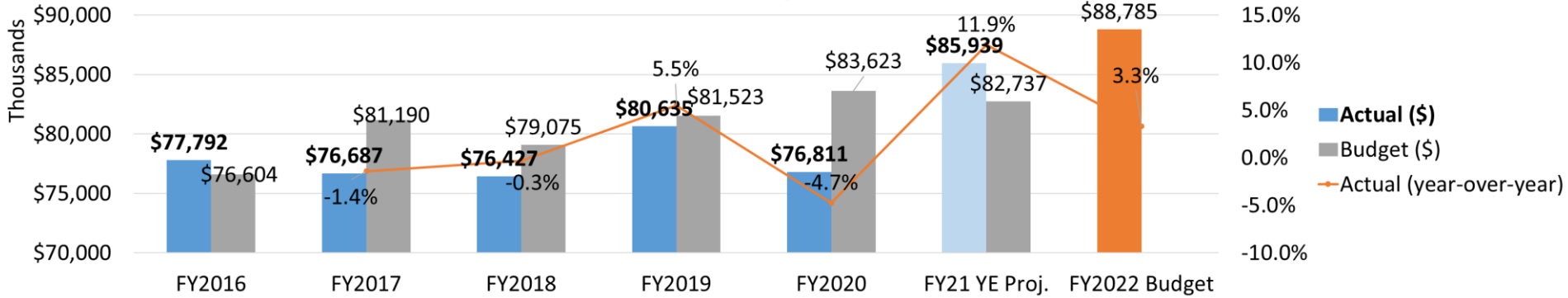


Operating Margin for North Country Hospital

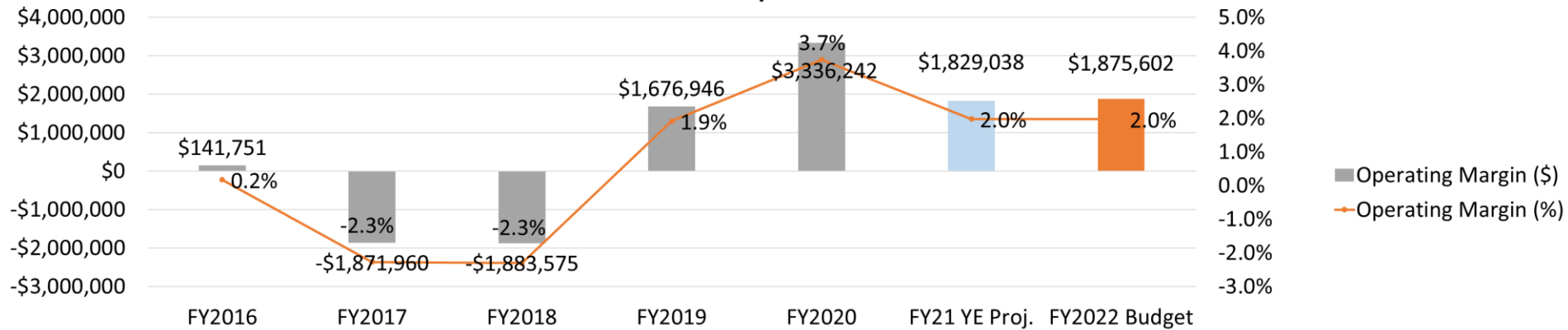


North Country Hospital: Historical Operating Performance

**NPR/FPP
2016-present**



**Operating Margin
2016-present**



North Country Hospital: Change in Charge



Request	
Overall Change in Charge %	4.90%
NPR due to Change in Charge	\$3,132,581
Value of 1% Change in Charge	\$559,390

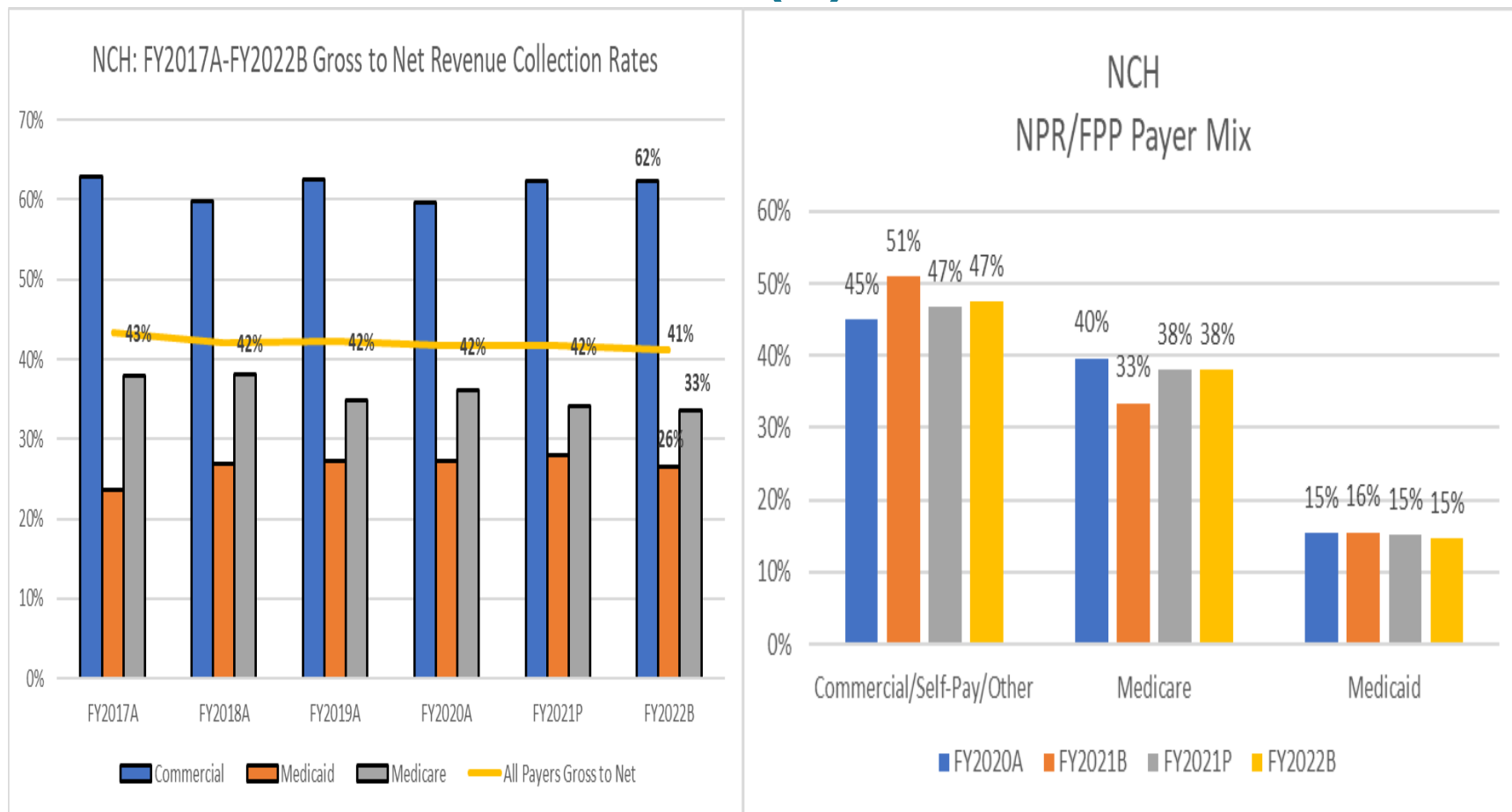
Service Category	
Hospital Inpatient Change in Gross	5.6%
Hospital Outpatient Change in Gross Charges	5.6%
All Other Change in Gross Charges	0.0%

Payer	
Commercial	\$2,134,778
Medicaid	\$0
Medicare	\$950,141
Self Pay/Other	\$47,662

NPR/FPP & Change in Charge Increase	
FY22 Request (\$ change FY21B)	\$6,047,731
Change in Charge (\$)	\$3,132,581

	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	3.5%	5.0%	3.6%	4.2%	3.6%	4.0%
Submitted	3.5%	5.0%	3.6%	4.2%	3.6%	4.0%

North Country Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)



North Country Hospital: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	7.3% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 7.3%.	<ul style="list-style-type: none"> Reduce to 6.2% based on charge reduction. Impact of below value \$895,024 on NPR B2B growth would be 6.2% 	Reduced NPR/FPP growth to 6.2% based on reduction of charge request, approved on 9/1/2021.
Change in Charge	4.90%	<ul style="list-style-type: none"> Reduce to 3.3% (remove Cerner: 1.6% use reserves) 	Reduced charge request to 3.3%, approved 9/1/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve North Country Hospital's budget as modified hereby, with a 6.20% **increase** from FY2021 to FY2022 budgeted NPR/FPP, a 3.30% **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Grace Cottage Hospital (GCH)

NPR/FPP

FY21 Budget-to-Projection Variance	3.2%
FY21 Budget (\$)	\$20,666,695
FY21 Projection (\$)	\$21,330,891
FY22 Request (\$)	\$22,353,530
FY22 Request (% change FY21B)	8.2%
FY22 Request (% change FY21P)	4.8%

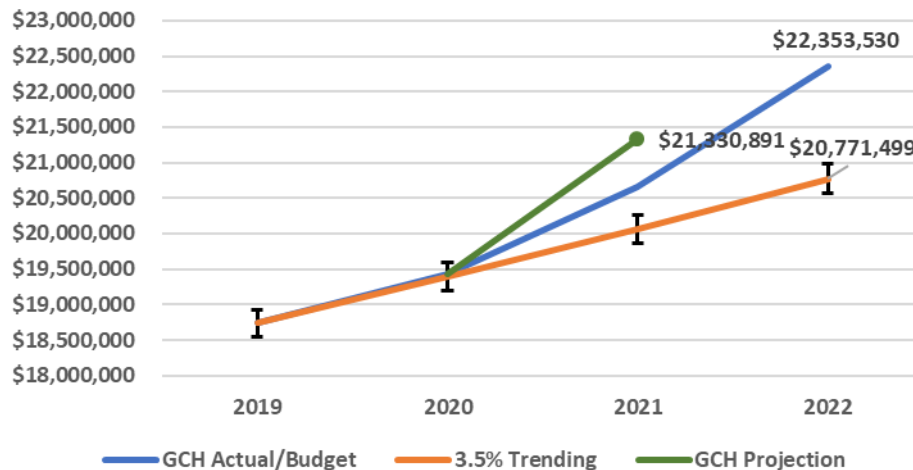
GCH's 8.2% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$224,823
Medicaid	\$16,883
Medicare	\$511,253
Self-Pay/Other	\$21,889

5.00% Overall Charge Master Increase

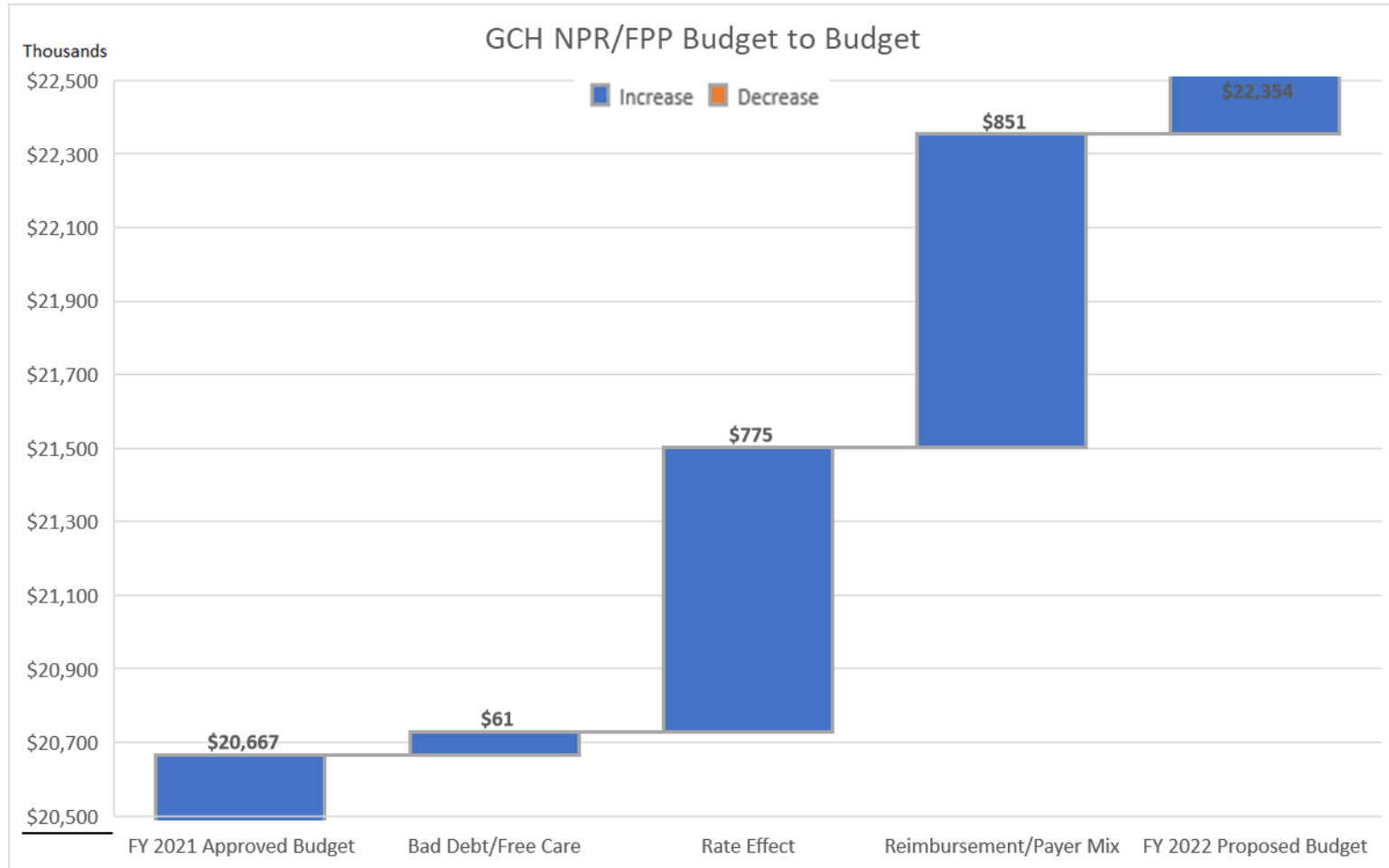
GCH Performance vs. 3.5% Trending



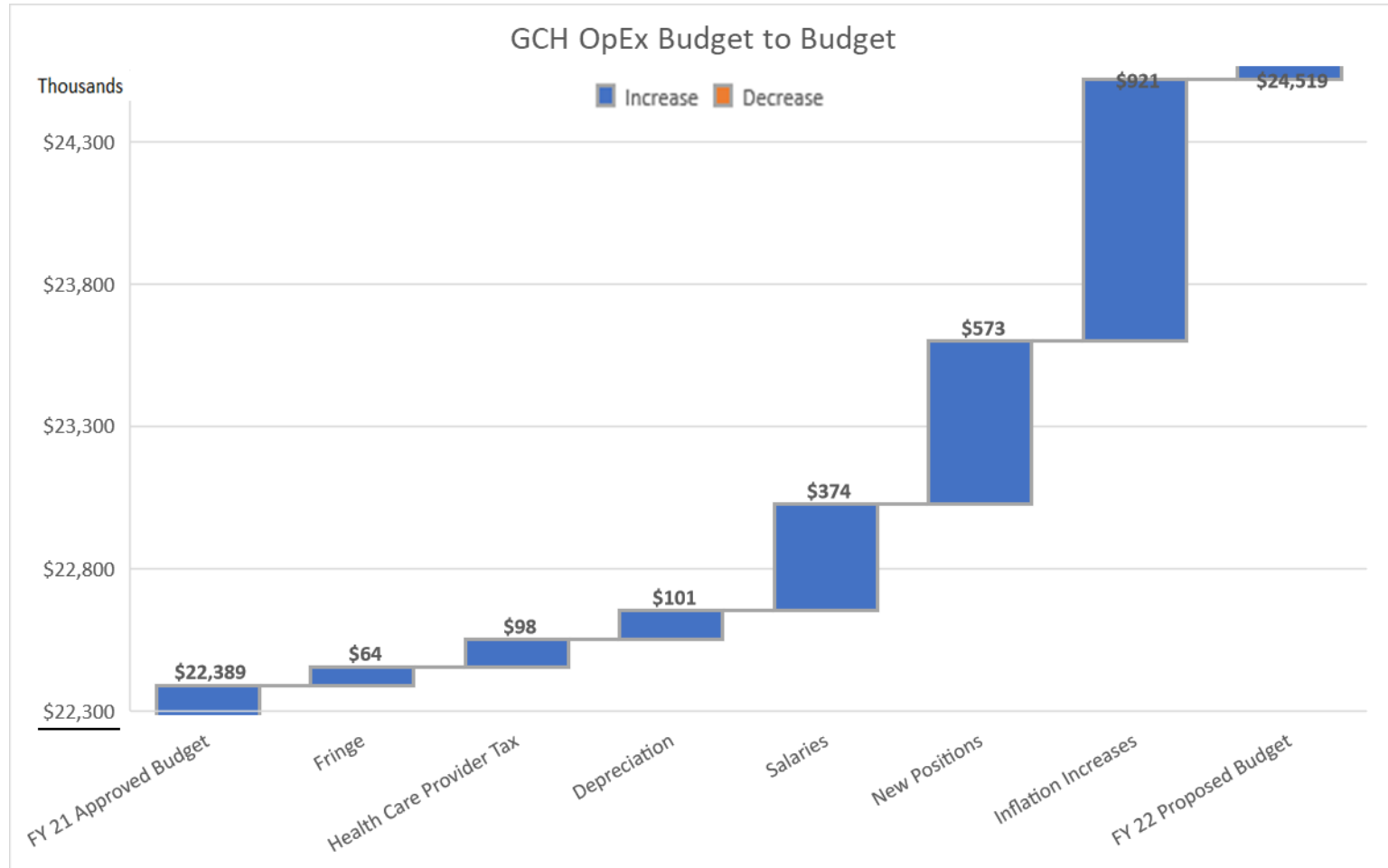
Hospital Justification:

- NPR growth required to cover increased operating expenses due to supply/demand issues.
- Rate request is the minimum amount to cover operating expenses.
- Payer shift from commercial to Medicaid and Self-Pay.
- Staffing continues to be a problem.
- Capital projects need to be restarted.

GCH NPR/FPP Drivers: FY2021B-FY2022B

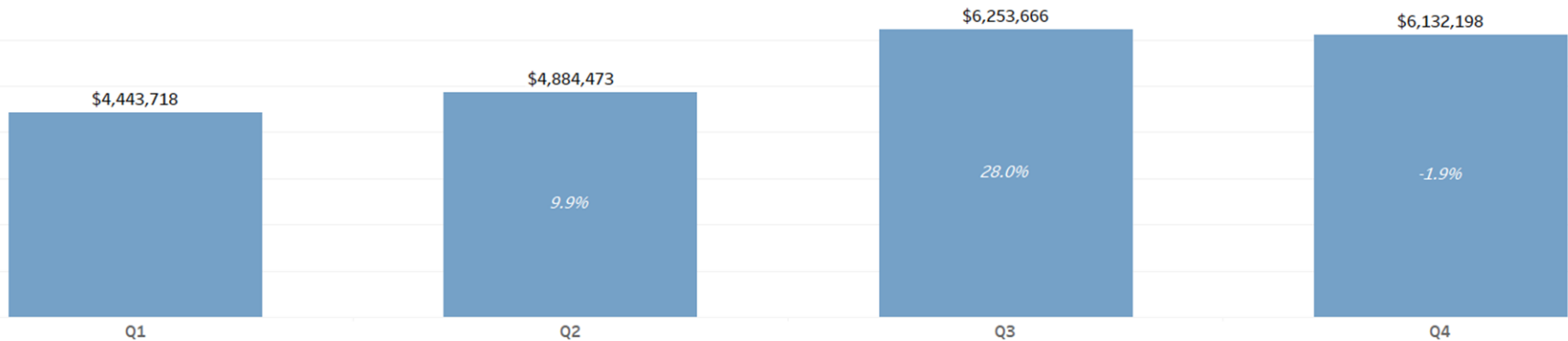


GCH Operating Expense Drivers: FY2021B-FY2022B

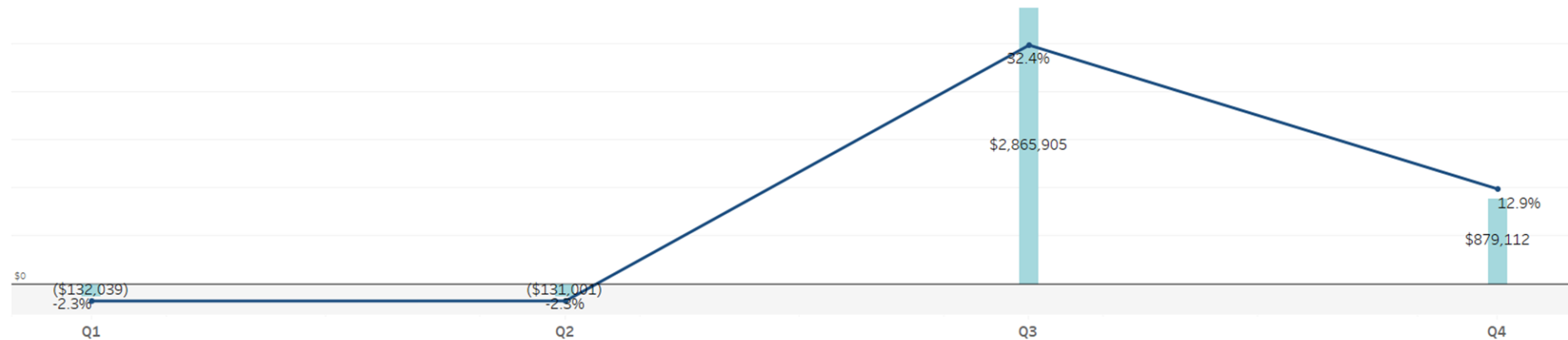


Grace Cottage Hospital: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Grace Cottage Hospital

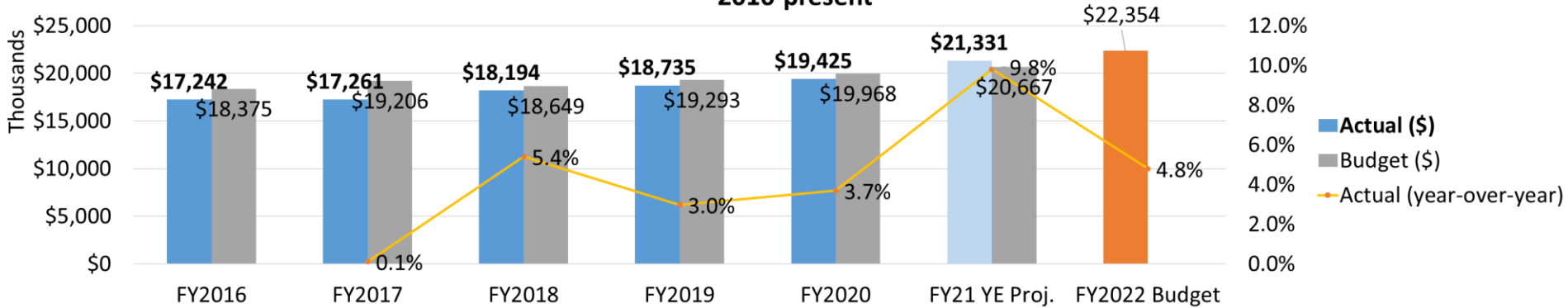


Operating Margin for Grace Cottage Hospital

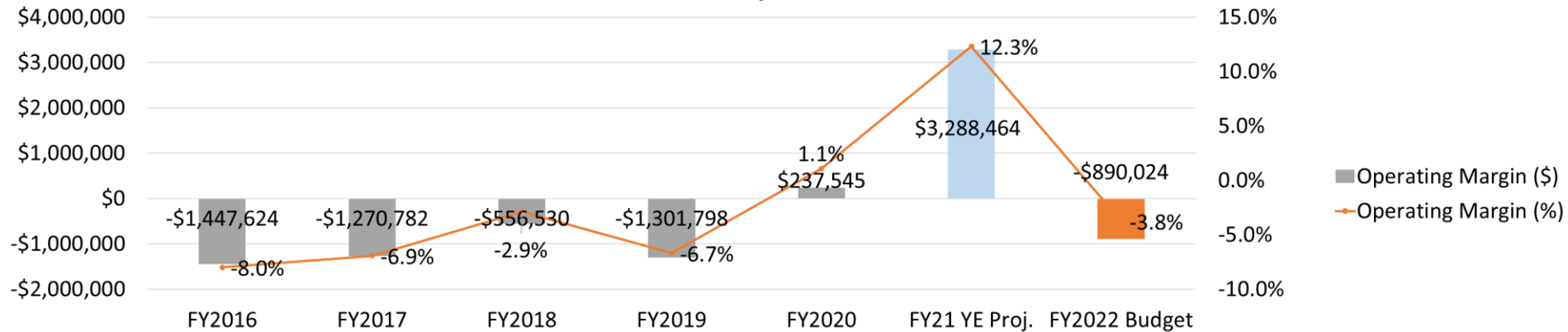


Grace Cottage Hospital: Historical Operating Performance

**NPR/FPP
2016-present**



**Operating Margin
2016-present**

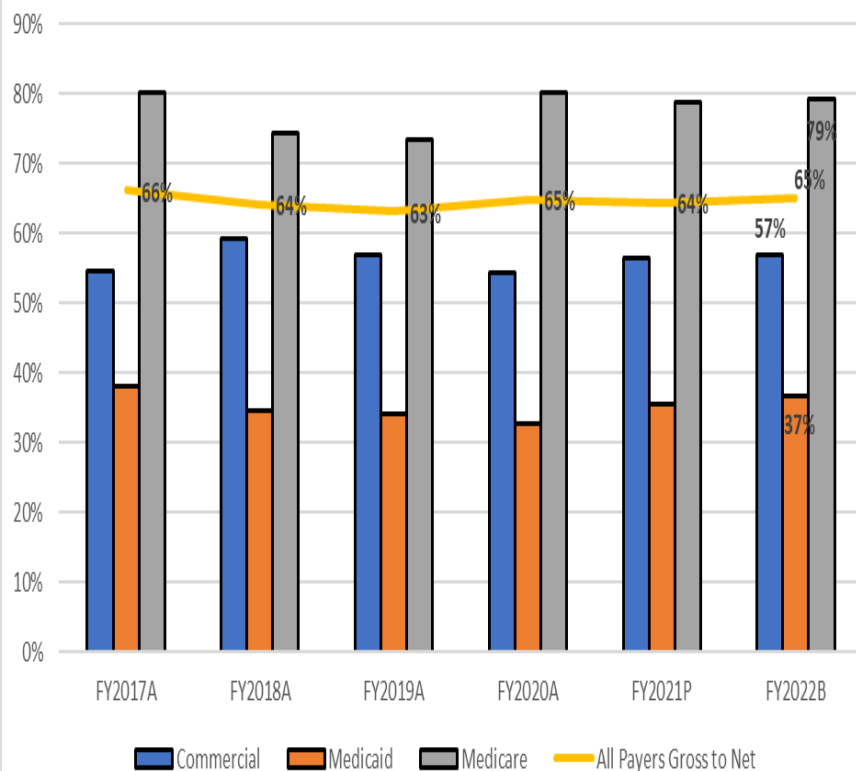


Grace Cottage Hospital: Change in Charge

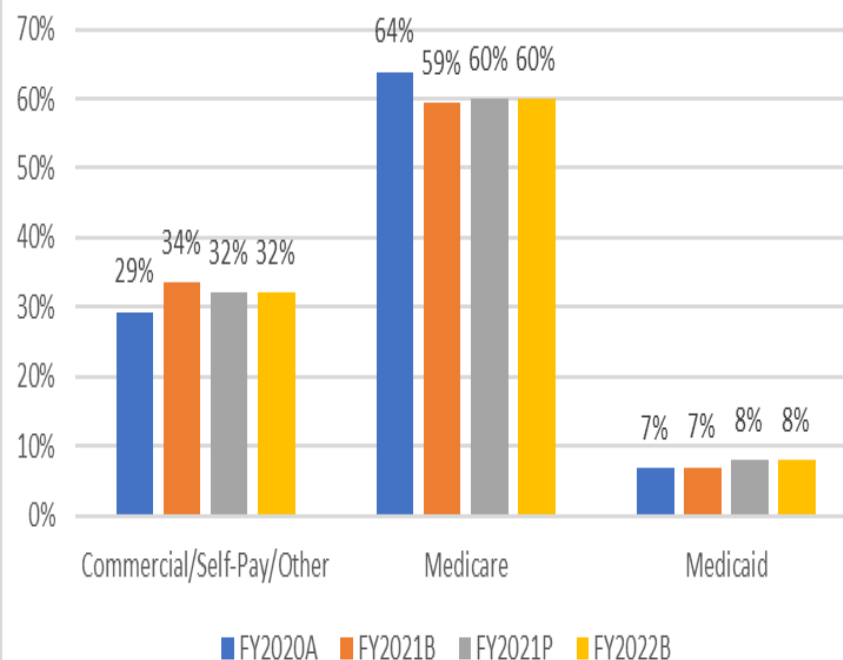
Request						
Overall Change in Charge %	5.00%					
NPR due to Change in Charge	\$774,848					
Value of 1% Change in Charge	\$212,891					
Service Category						
Hospital Inpatient Change in Gross Charges	5.0%					
Hospital Outpatient Change in Gross Charges	5.0%					
Professional Services Change in Gross Charges	5.0%					
Payer						
Commercial	\$224,823					
Medicaid	\$16,883					
Medicare	\$511,253					
Total Self-Pay/Other	\$21,889					
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)	\$1,686,835					
Change in Charge (\$)	\$774,848					
						5-year average
	FY17	FY18	FY19	FY20	FY21	
Approved	5.0%	5.0%	3.2%	3.2%	3.2%	3.9%
Submitted	5.0%	5.0%	3.2%	3.2%	3.2%	3.9%

Grace Cottage Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

GCH: FY2017A-FY2022B Gross to Net Revenue Collection Rates



GCH
NPR/FPP Payer Mix



Grace Cottage Hospital: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	8.2% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 8.2%.	<ul style="list-style-type: none"> • Reduce NPR to 3.5% effectively reducing NPR/FPP by \$963,501. • New NPR/FPP \$21,390,029 	Reduced NPR growth to 6.8%, approved 9/1/2021.
Change in Charge	5.00%	<ul style="list-style-type: none"> • Approve as submitted 	Approved as submitted, 9/1/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve Grace Cottage Hospital's budget as modified hereby, with an NPR/FPP **increase** of 6.8% from FY2021 to FY2022 budget, a 5.00% **increase** to overall charges as submitted, and subject to the standard budget conditions as outlined on Slide 36.*

Brattleboro Memorial Hospital (BMH)



NPR/FPP

FY21 Budget-to-Projection Variance	-6.3%
FY21 Budget (\$)	\$92,802,429
FY21 Projection (\$)	\$86,931,647
FY22 Request (\$)	\$95,595,382
FY22 Request (% change FY21B)	3.0%
FY22 Request (% change FY21P)	10.0%

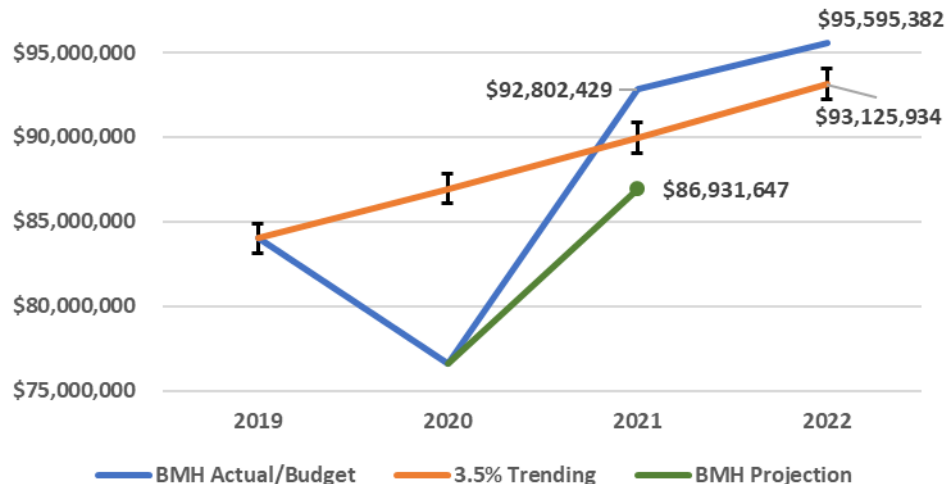
Brattleboro's 3.0% request is under the 3.5% growth rate guidance.

Change in Charges

Commercial	\$2,053,300
Medicaid	\$0
Medicare	\$0
Self-Pay/Other	\$152,632

5.10% Overall Charge Master Increase

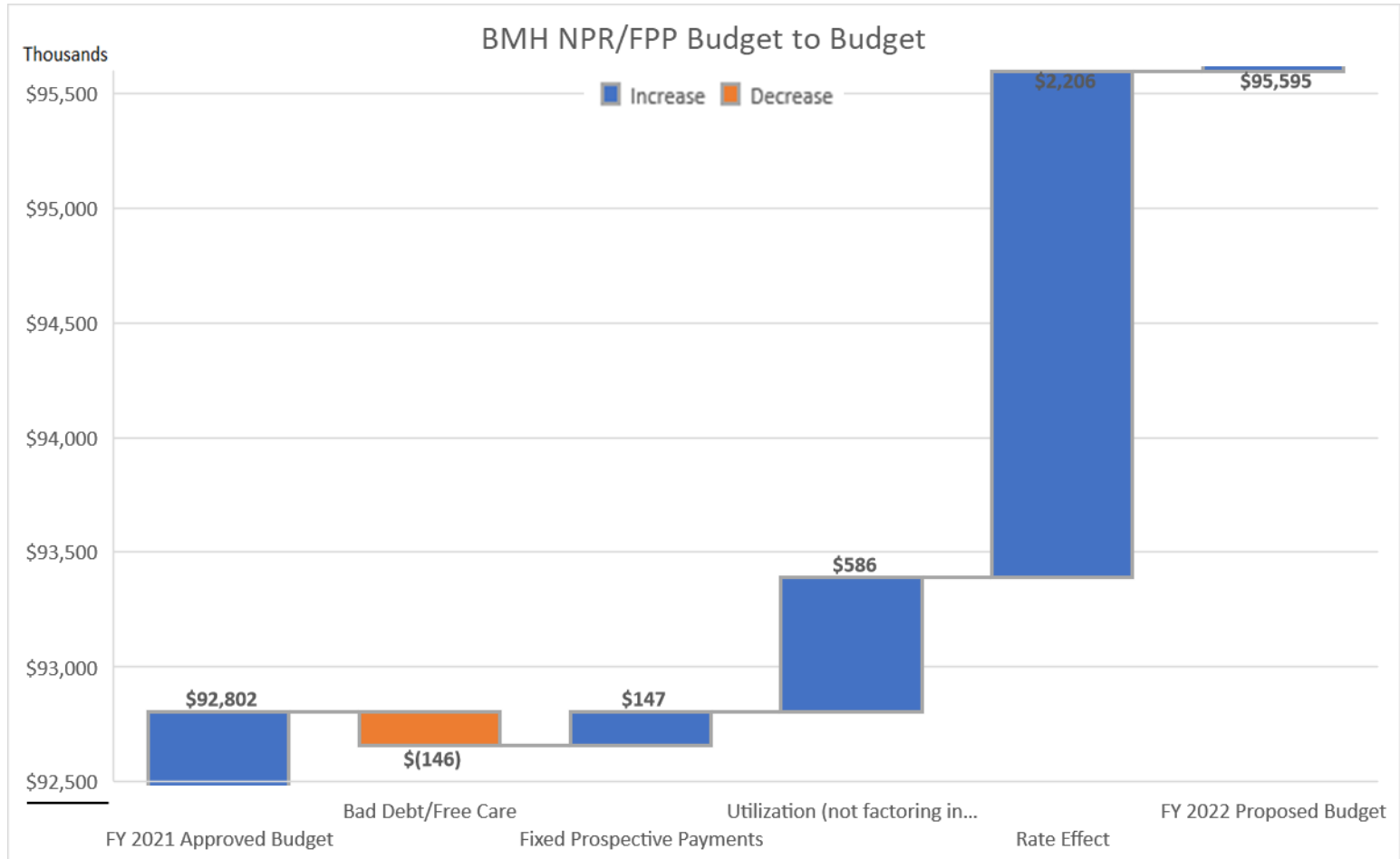
BMH Performance vs. 3.5% Trending



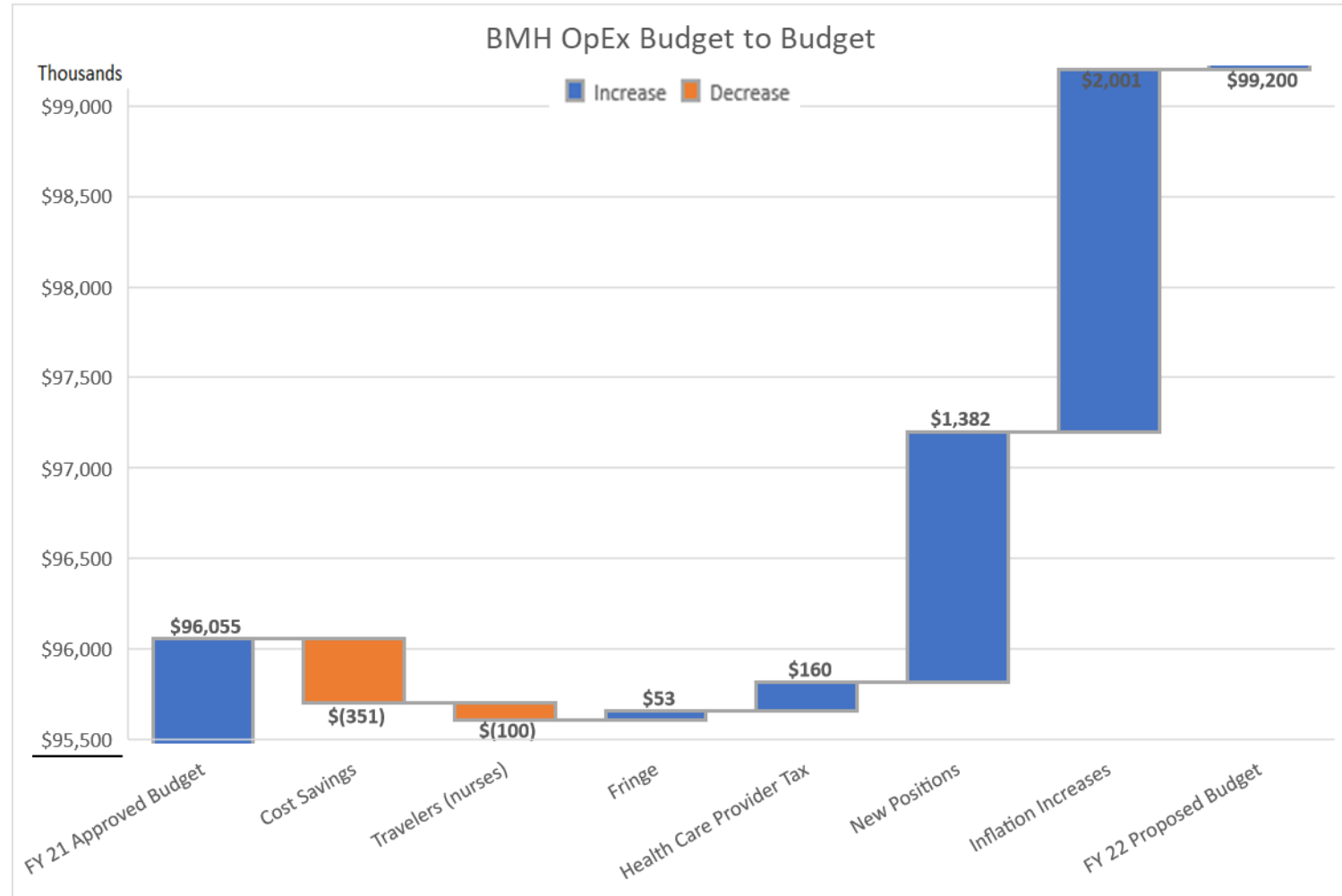
Hospital Justification:

- Volume increase after a slow start in FY21.
- Volume expected to return to FY19 levels.
- Successful recruitment efforts.
- “All-in” on payment reform efforts.
- Revenue Enhancement and Expense Reduction Plan.
 - Reduction of contract labor spend.

BMH NPR/FPP Drivers: FY2021B-FY2022B

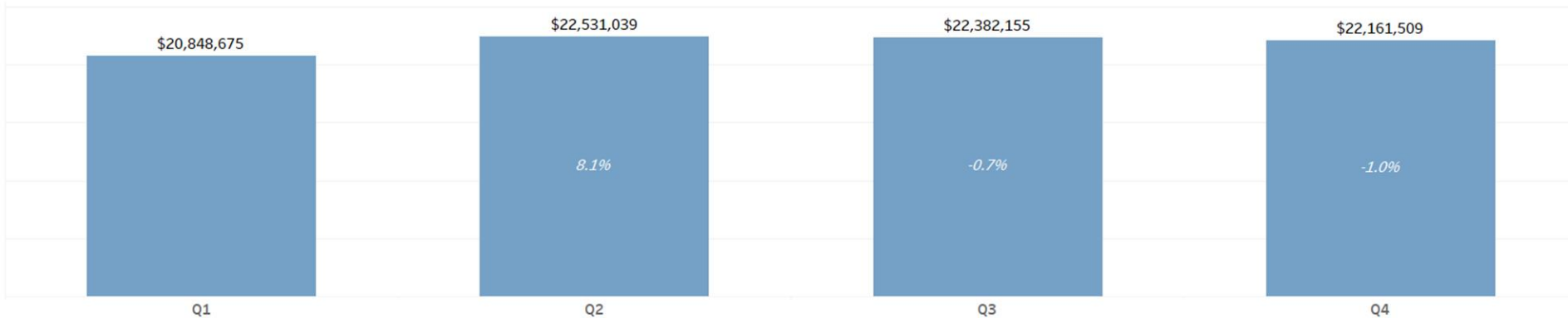


BMH Operating Expense Drivers: FY2021B-FY2022B

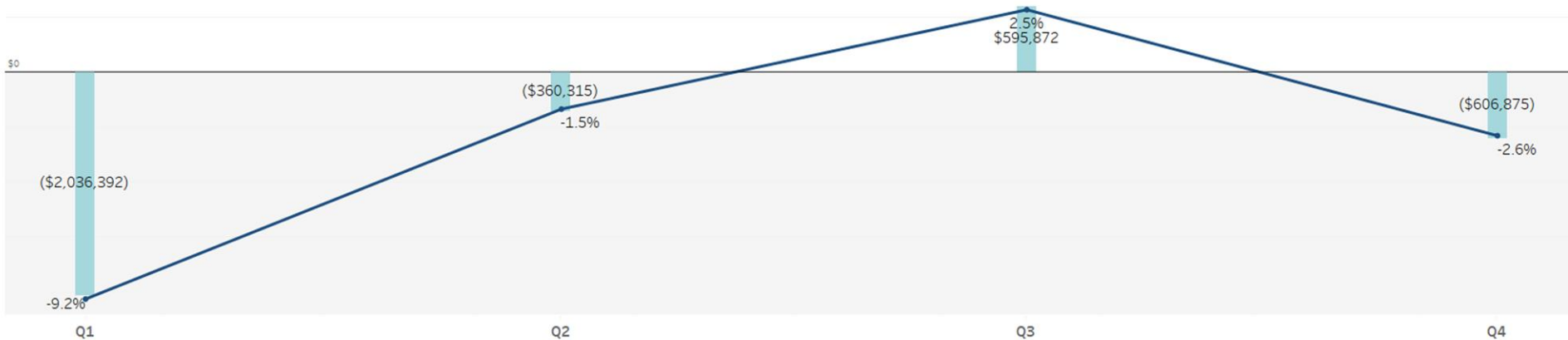


Brattleboro Memorial Hospital: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Brattleboro Memorial Hospital



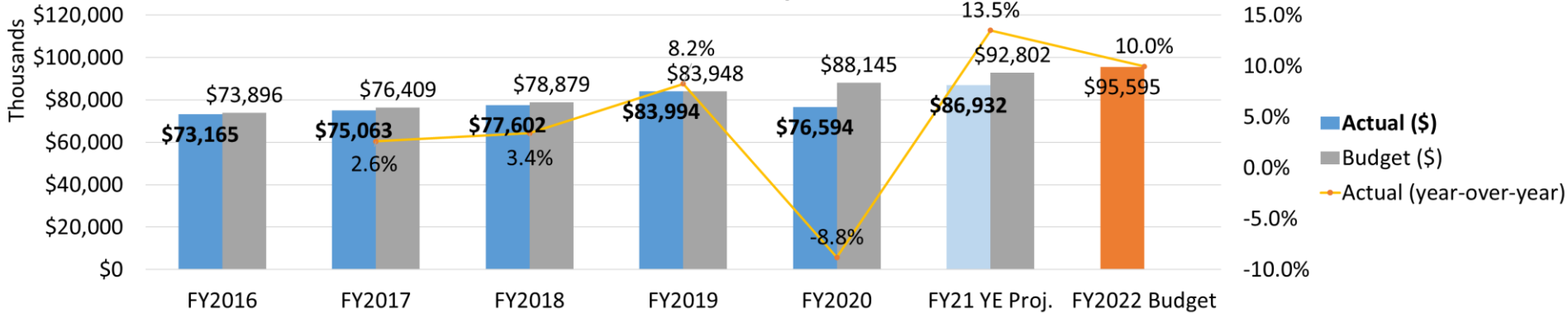
Operating Margin for Brattleboro Memorial Hospital



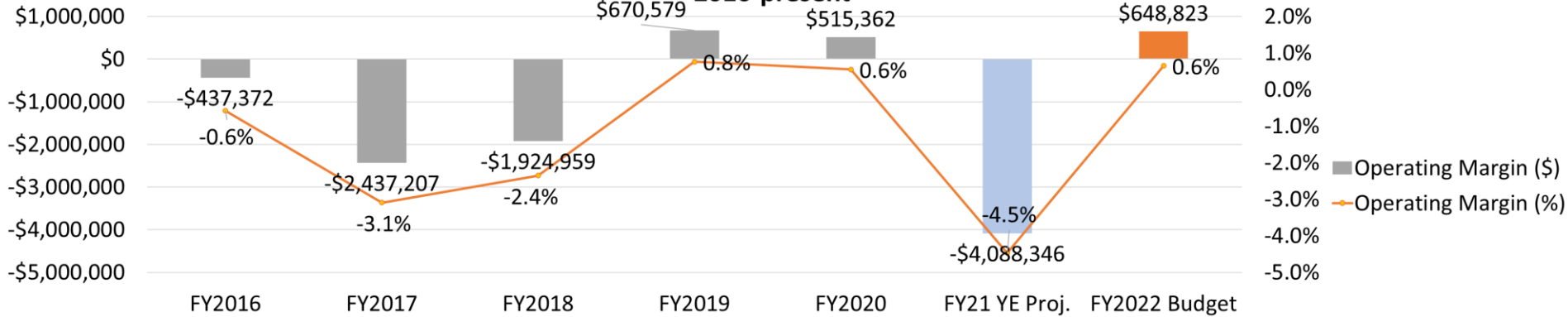
Note: BMH's Revised FYE 2021 Projected loss is \$1.8 million. BMH's FYE2021 projected loss was originally submitted to be \$4.08 million.

Brattleboro Memorial Hospital: Historical Operating Performance

**NPR/FPP
2016-present**



**Operating Margin
2016-present**



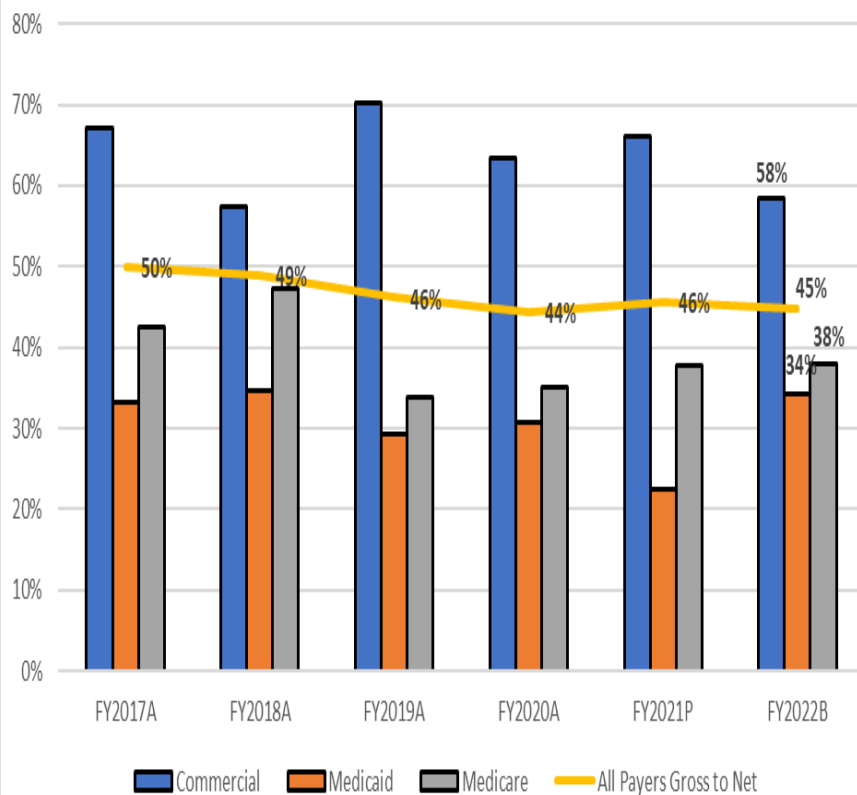
Note: BMH's Revised FYE 2021 Projected loss is \$1.8 million. BMH's FYE2021 projected loss was originally submitted to be \$4.08 million.

Brattleboro Memorial Hospital: Change in Charge

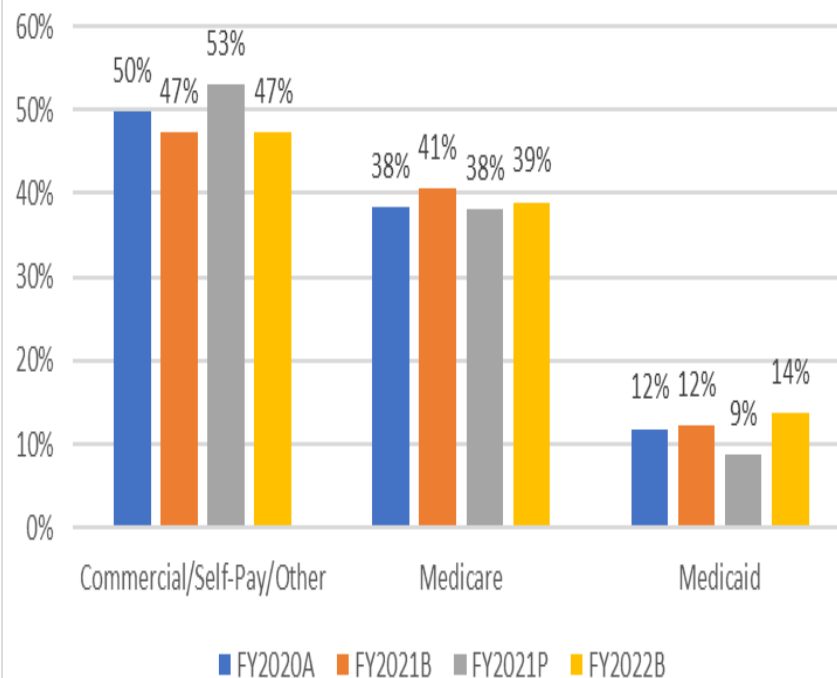
Request						
Overall Change in Charge %	5.10%					
NPR due to Change in Charge	\$2,205,932					
Value of 1% Change in Charge	\$435,036					
Service Category						
Hospital Inpatient Change in Gross	6.2%					
Hospital Outpatient Change in Gross Charges	5.8%					
Payer						
Commercial	\$2,053,300					
Medicaid	\$0					
Medicare	\$0					
Self-Pay/Other	\$152,632					
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)	\$2,792,953					
Change in Charge (\$)	\$2,205,932					
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	3.5%	5.7%	3.9%	3.4%	4.9%	4.3%
Submitted	3.5%	8.9%	4.9%	3.4%	4.9%	5.1%

Brattleboro Memorial Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

BMH: FY2017A-FY2022B Gross to Net Revenue Collection Rates



BMH
NPR/FPP Payer Mix



Brattleboro Memorial Hospital: Recommendations



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	3.0% request is under the budget-to-budget growth rate guidance, with COVID allowance growth is 3.0%.	<ul style="list-style-type: none">Reduced NPR/FPP to \$93,125,934, or a 0.3% budget-to-budget-increase, reflecting year-over-year 3.5% NPR/FPP growth trend from 2019.	Reduced NPR growth to 0.3%, approved 9/3/2021.
Overall Charge Master Increase	5.10%	<ul style="list-style-type: none">Reduce by 1%, to 4%, or Approve as submitted.	Reduced charge request to 4.6%, approved 9/3/2021.
Additional Recommendation		<ul style="list-style-type: none">Improved timely and accurate submission of financial data	

Suggested motion language on following slide.

Brattleboro Memorial Hospital: Suggested Motion Language



Suggested motion language:

*Move to approve Brattleboro Memorial Hospital's budget, as modified hereby, with an NPR/FPP **increase** of 0.3% from FY2021 to FY2022 budget, a 4.6% **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Copley Hospital (COP)

NPR/FPP

FY21 Budget-to-Projection Variance	5.5%
FY21 Budget (\$)	\$76,189,789
FY21 Projection (\$)	\$80,381,902
FY22 Request (\$)	\$86,390,520
FY22 Request (% change FY21B)	13.4%
FY22 Request (% change FY21P)	7.5%

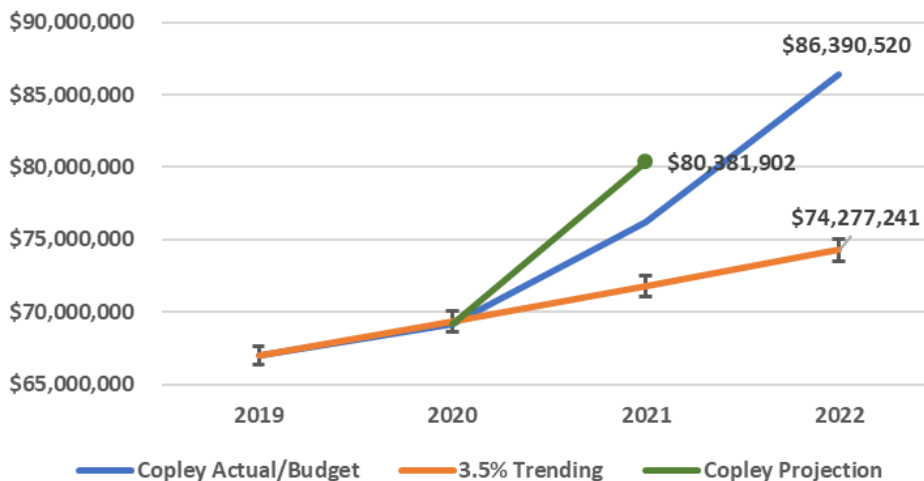
Copley's 13.4% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$1,937,636
Medicaid	\$0
Medicare	\$1,643,761
Self-Pay/Other	\$90,000

5.00% Overall Charge Master Increase

Copley Performance vs. 3.5% Trending



Hospital Justification:

- Need for reasonable margin to rebuild cash reserves and make overdue infrastructure improvements.
- Inflationary and staffing pressure.
- Shift to Medicare due to aging population.
- Added Neurology and Podiatry.
- Increased FTEs by 24 and pay increase of 4%.
- Adding participating in Commercial ACO plan.
- Volume resurgence comparable to 2019.
- Continued healthcare coordination with community partners.

Copley Hospital: Provider Transfer



Provider Transfers

Copley is requesting an NPR/FPP adjustment for one provider transfer:

Name of Acquisition or Transfer	NPR/FPP	Expenses	Net Profit/Loss	Effective Date	Adjustment to NPR/FPP
Multi Specialty Clinic	\$314,197	\$501,590	-\$187,393	4/01/2021	-0.47%

Copley Hospital: Provider Transfer



Copley has hired an independent Neurologist, on April 1, 2021

FY21 Impact	
Gross Patient Care Revenue	\$856,816
Deductions from Revenue	\$542,619
Net Patient Revenue	\$314,197
Provider Salaries	
Provider Fringe Benefits	
Staff Wages & Benefits	\$372,008
Malpractice	\$12,522
Depreciation/Amortization	
Rent	
Billing Service	
Medical/Surgical Supplies	\$3,489
Other Costs	\$113,571
Operating Expense	\$501,590
Net Operating Income/Loss	-\$187,393

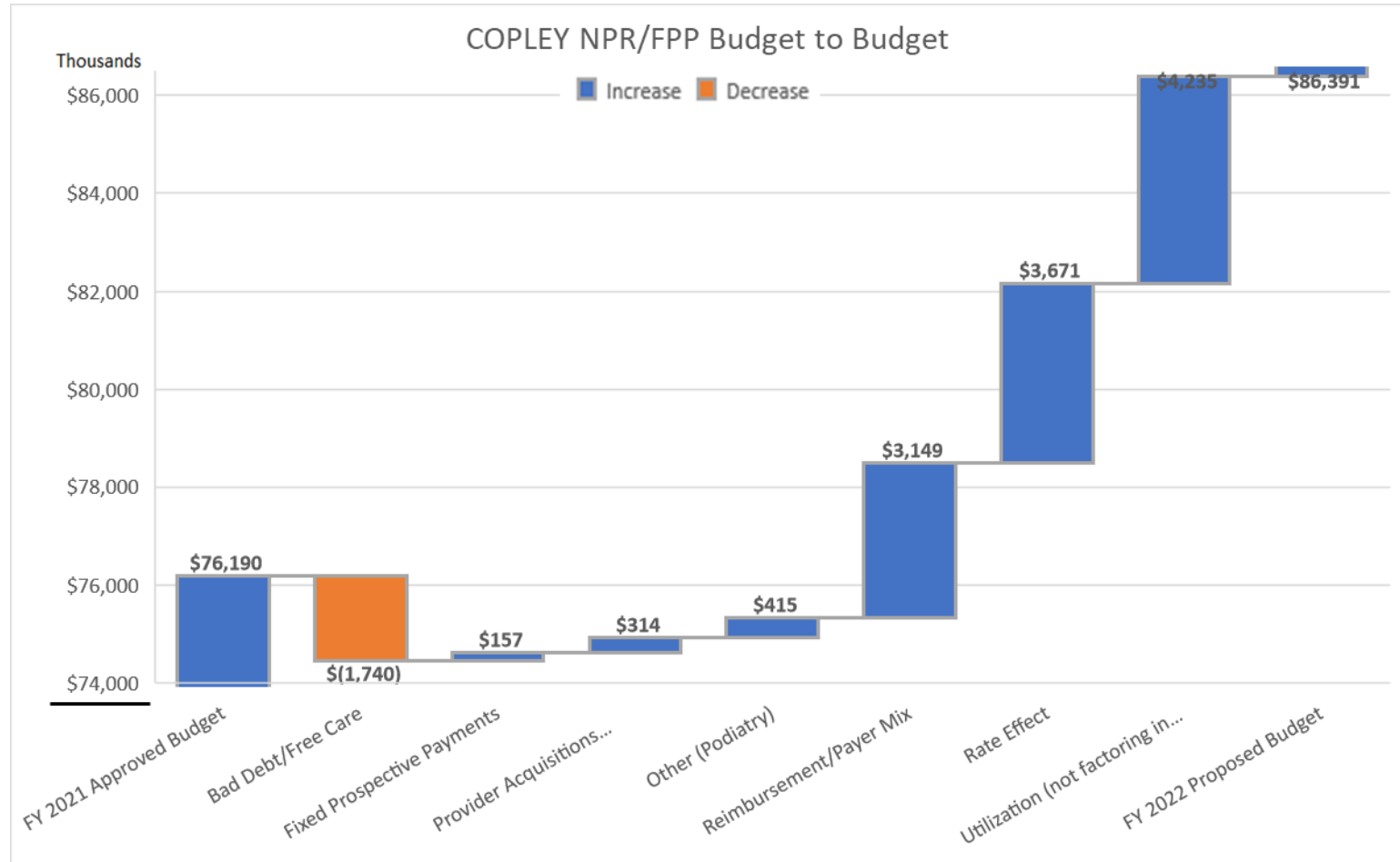
Jeanmarie Prunty, MD, Neurologist joins Copley Hospital from Community Health Services of Lamoille Valley so she can continue to serve her patients close to home. She was previously employed by Copley from 1991 to 2005.

FTEs and units of service:

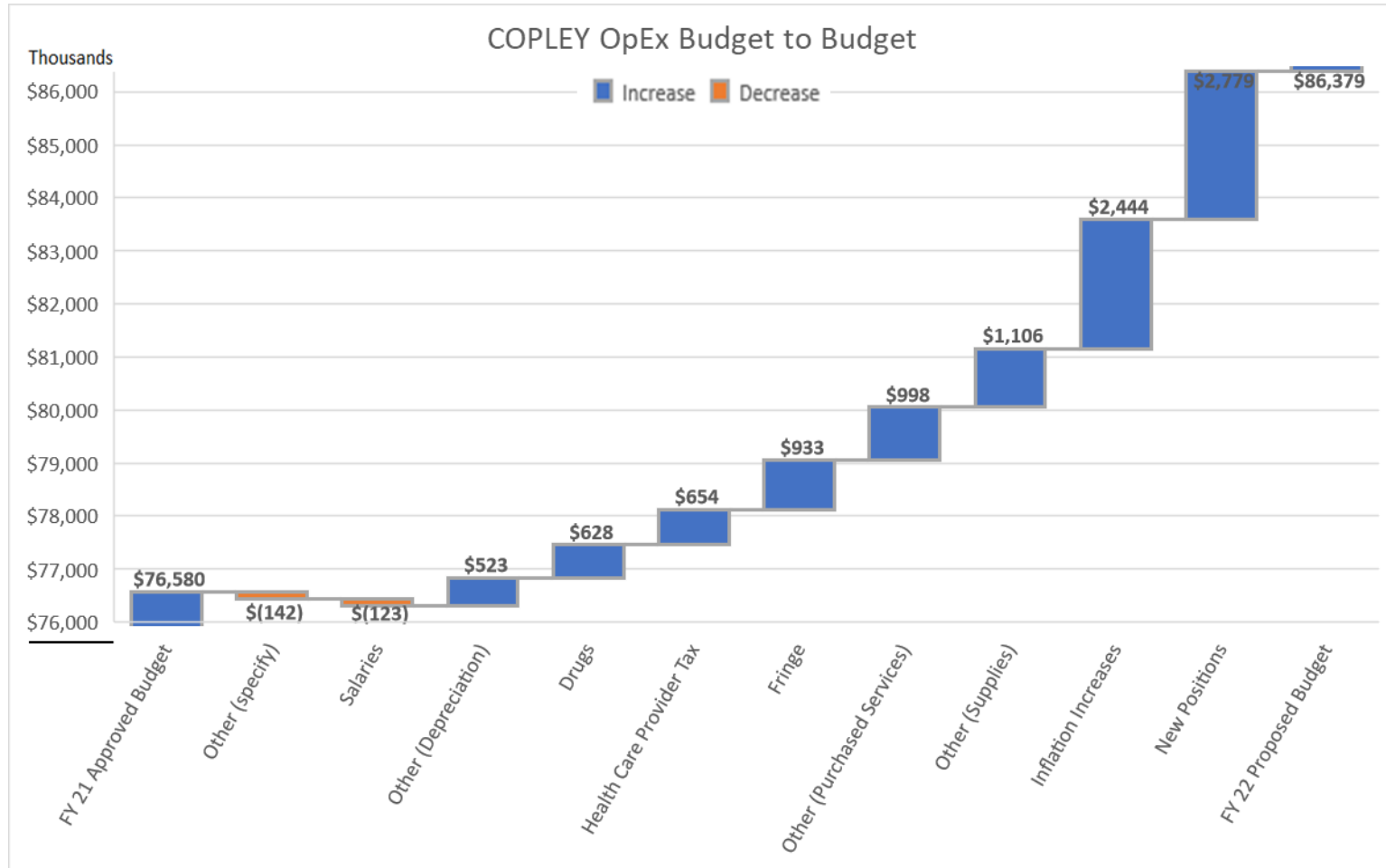
- 1 Provider FTE
- 1 non-provider FTEs

**GMCB staff recommend
acknowledgement by Board**

COP NPR/FPP Drivers: FY2021B-FY2022B

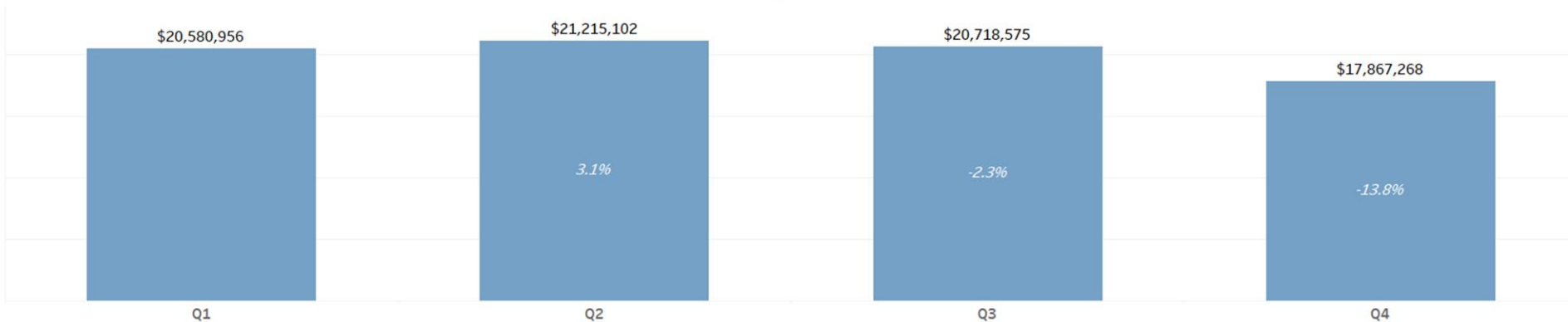


COP Operating Expense Drivers: FY2021B-FY2022B

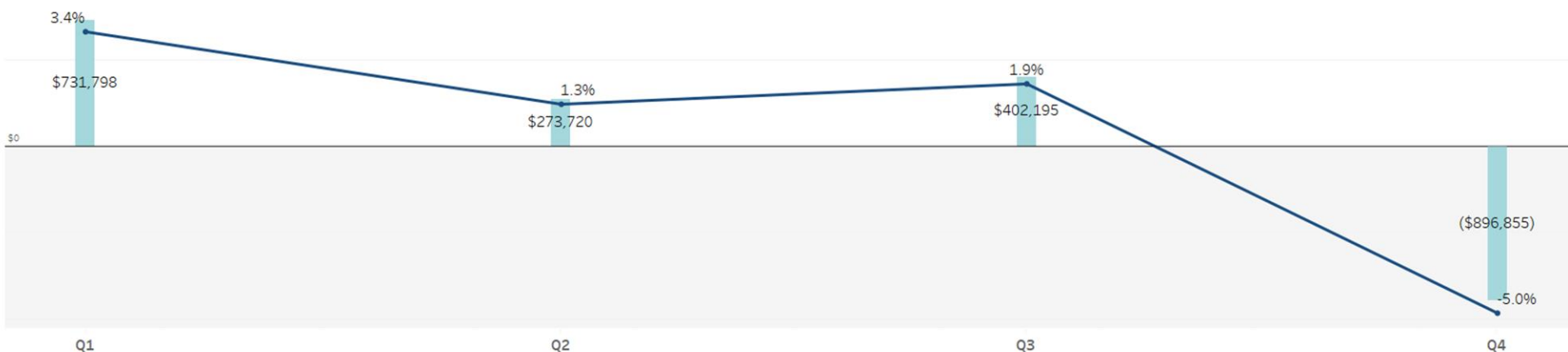


Copley Hospital: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Copley Hospital

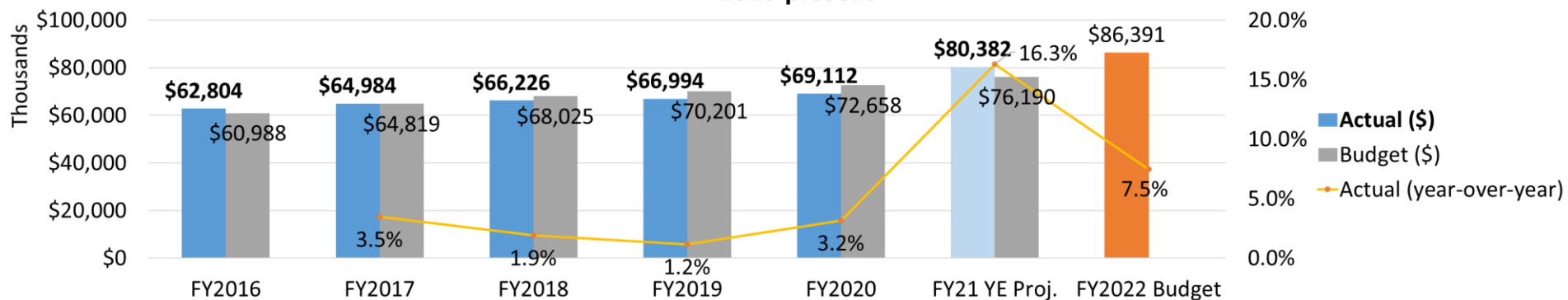


Operating Margin for Copley Hospital

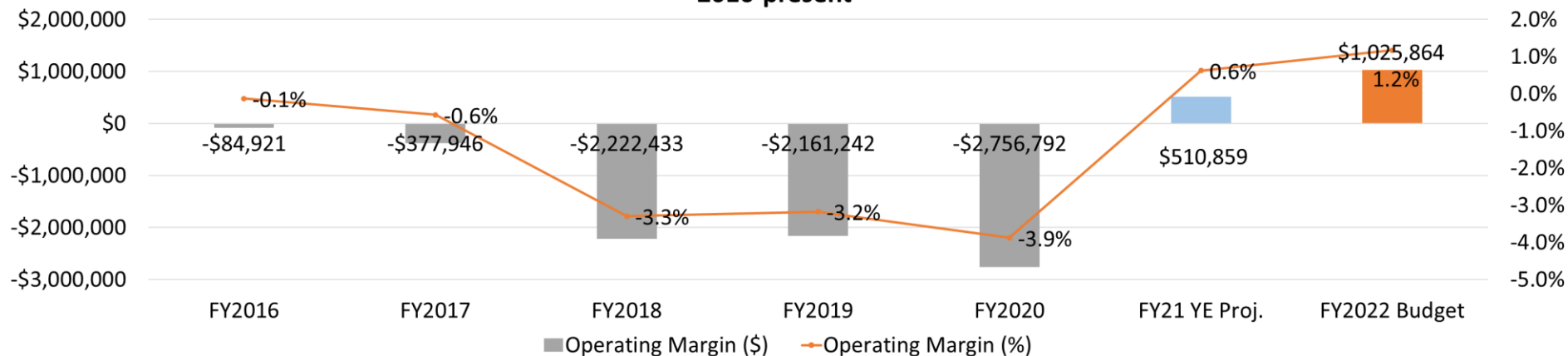


Copley Hospital: Historical Operating Performance

**NPR/FPP
2016-present**



**Operating Margin
2016-present**

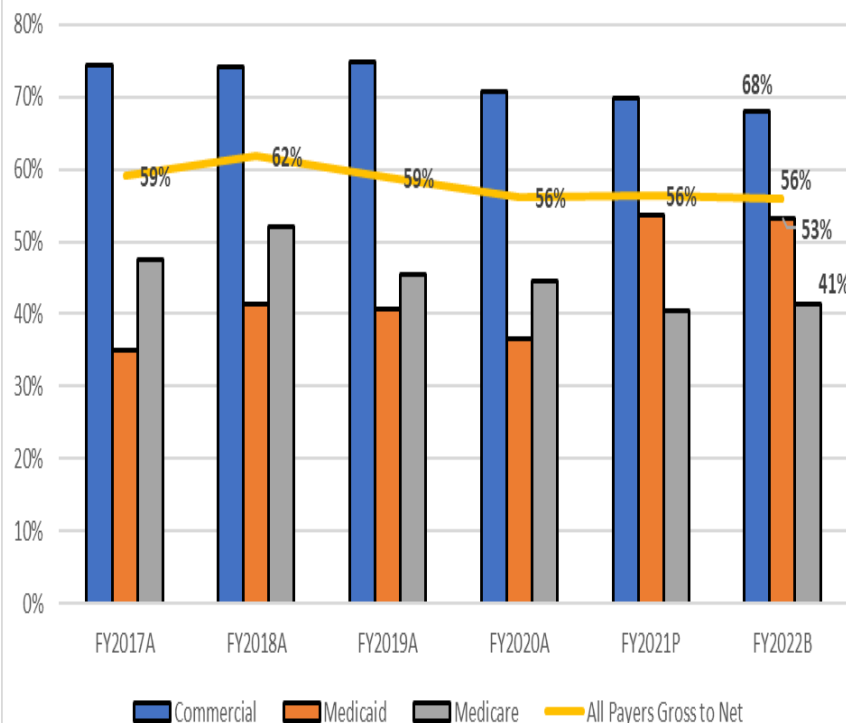


Copley Hospital: Change in Charge

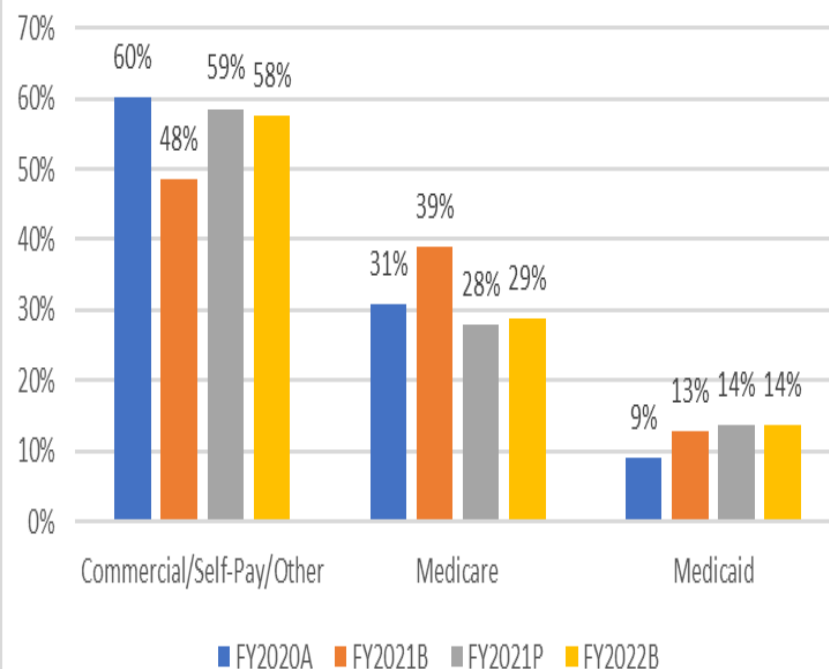
Request						
Overall Change in Charge %						5.00%
NPR due to Change in Charge						\$3,671,397
Value of 1% Change in Charge						\$734,279
Service Category						
Hospital Inpatient Change in Gross						5.00%
Hospital Outpatient Change in Gross Charges						5.00%
Professional Services Change in Gross Charges						5.00%
Payer						
Commercial						\$1,937,636
Medicaid						\$0
Medicare						\$1,643,761
Self Pay/Other						\$90,000
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)						\$10,200,734
Change in Charge (\$)						\$3,671,397
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	-3.7%	-3.4%	4.5%	9.8%	6.0%	2.6%
Submitted	0.0%	0.0%	7.9%	9.8%	8.0%	5.1%

Copley Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

Copley: FY2017A-FY2022B Gross to Net Revenue Collection Rates



Copley
NPR/FPP Payer Mix



Copley Hospital: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	13.4% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 13.4%.	<ul style="list-style-type: none">Reduce to 12.4%, driven by 1% reduction in rate request which would reduce NPR/FPP by \$734,249, growth rate with provider transfer is 12%	Reduced NPR growth to 12.0% including provider transfer, approved 9/3/2021.
Change in Charge	5.00%	<ul style="list-style-type: none">Reduce rate 1.0%, to 4.0% reduces NPR/FPP by \$734,279	Reduced charge request to 4.0%, approved 9/3/2021.
Additional Recommendation			

Suggested motion language on following slide.

Copley Hospital: Suggested Motion Language



Suggested motion language:

Move to acknowledge Copley Hospital's request to adjust its FY21 budget request to reflect acquisition of one Neurologist, along with one non-provider FTE, from Community Health Services of Lamoille Valley, effective as of April 1, 2021, with an impact to Copley's FY21 NPR/FPP of -0.47% and conditioned on required notice to patients pursuant to Act 143.

*Move to approve Copley Hospital's budget, including the acknowledged provider transfer, as modified hereby, with an NPR/FPP **increase** of 12% from FY2021 to FY2022 budget, a 4.00% **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 36.*

Springfield Hospital (SPR)

NPR/FPP

FY21 Budget-to-Projection Variance	-10.6%
FY21 Budget (\$)	\$50,600,310
FY21 Projection (\$)	\$45,212,644
FY22 Request (\$)	\$54,568,589
FY22 Request (% change FY21B)	7.8%
FY22 Request (% change FY21P)	20.7%

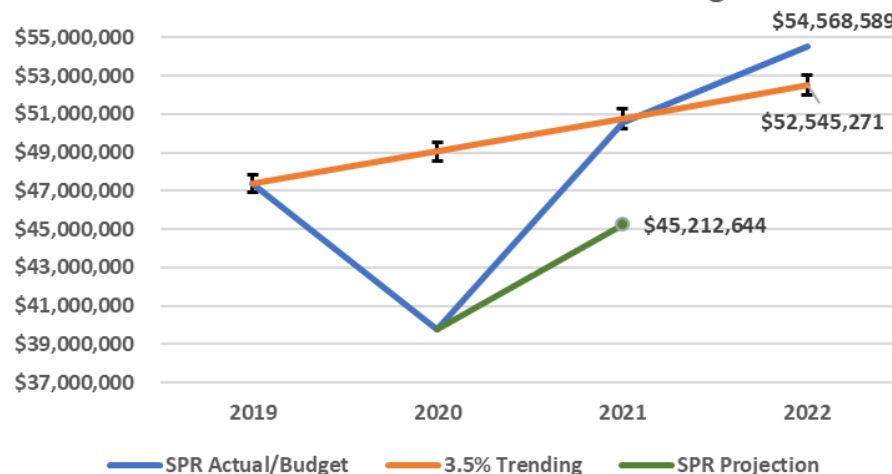
Springfield's 7.8% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$2,819,693
Medicaid	\$1,467,383
Medicare	\$1,721,438
Self-Pay/Other	\$95,190

8.30% Overall Charge Master Increase

SPR Performance vs. 3.5% Trending



Hospital Justification

- NPR and rate increases are needed to continue the SPH's recovery
- Ensure operations remain sustainable in 2022,
- Continue to ensure access to essential community hospital services
- Rate request will prevent the exhaustion of cash instead of increasing cash
- Workforce volatility
- Allows SPH to fund high priority capital needs

Springfield Hospital (SPR) UPDATED

NPR/FPP

FY21 Budget-to-Projection Variance	-10.6%
FY21 Budget (\$)	\$50,600,310
FY21 Projection (\$)	\$45,212,644
FY22 Request (\$)	\$53,591,000
FY22 Request (% change FY21B)	5.9%
FY22 Request (% change FY21P)	18.5%

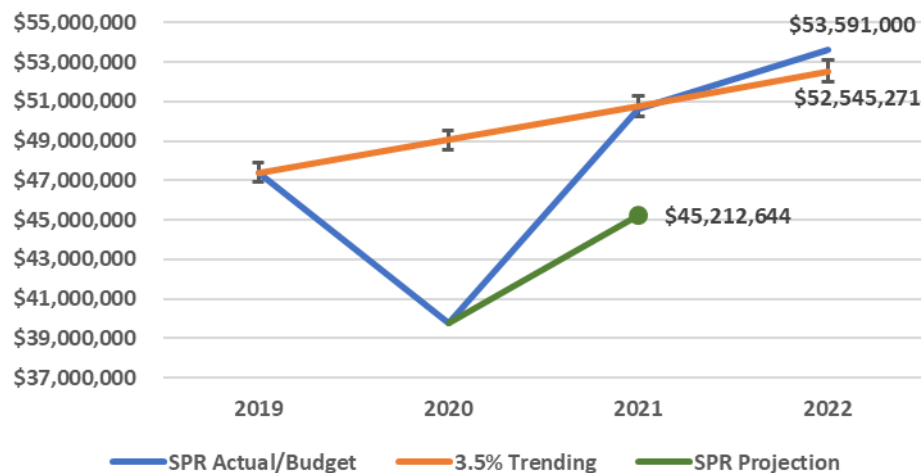
Springfield's 5.9% REVISED request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$2,851,000
Medicaid	\$233,000
Medicare	\$1,123,000
Self-Pay/Other	\$94,000

8.30% Overall Charge Master Increase

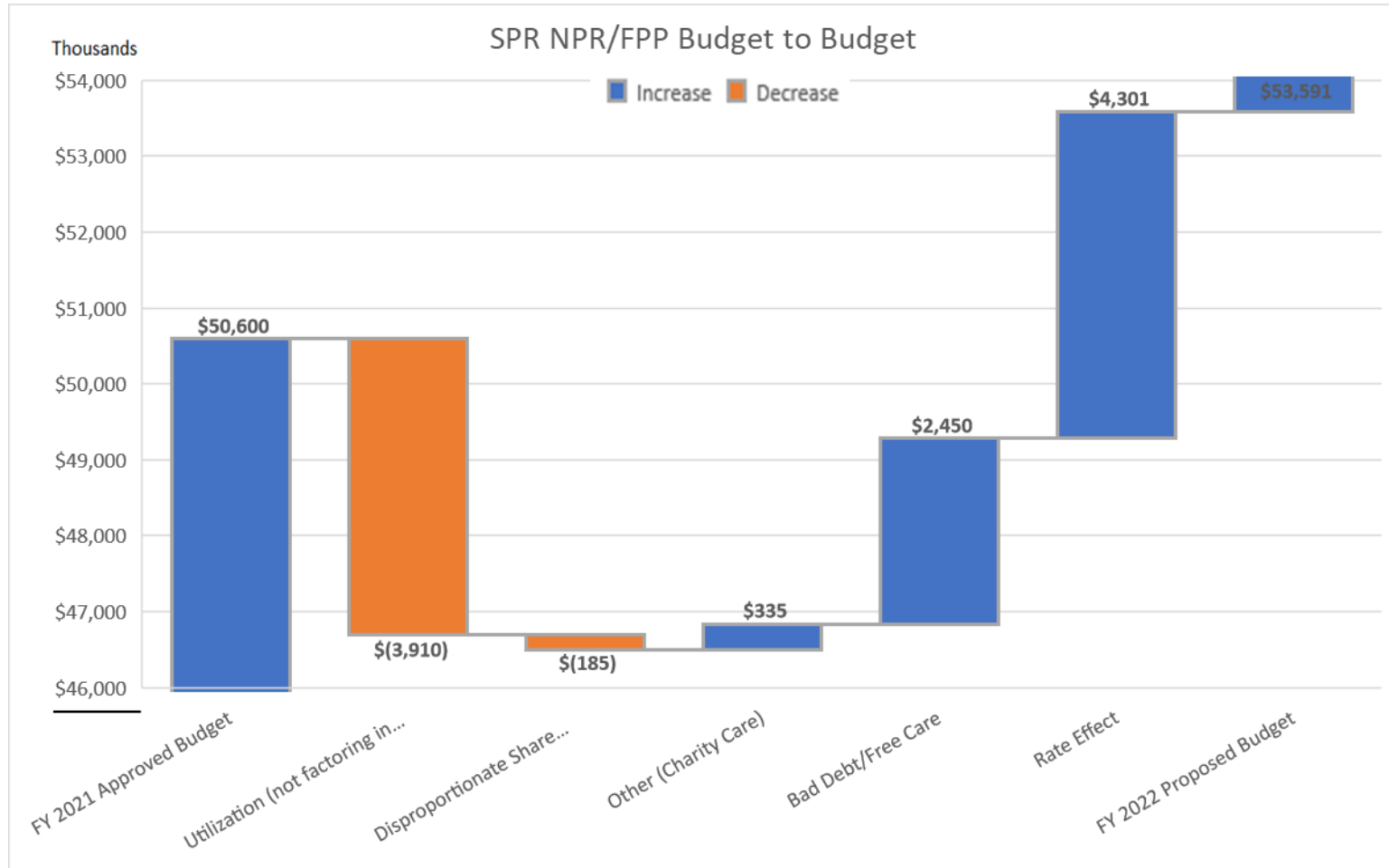
SPR (Updated) Performance vs. 3.5% Trending



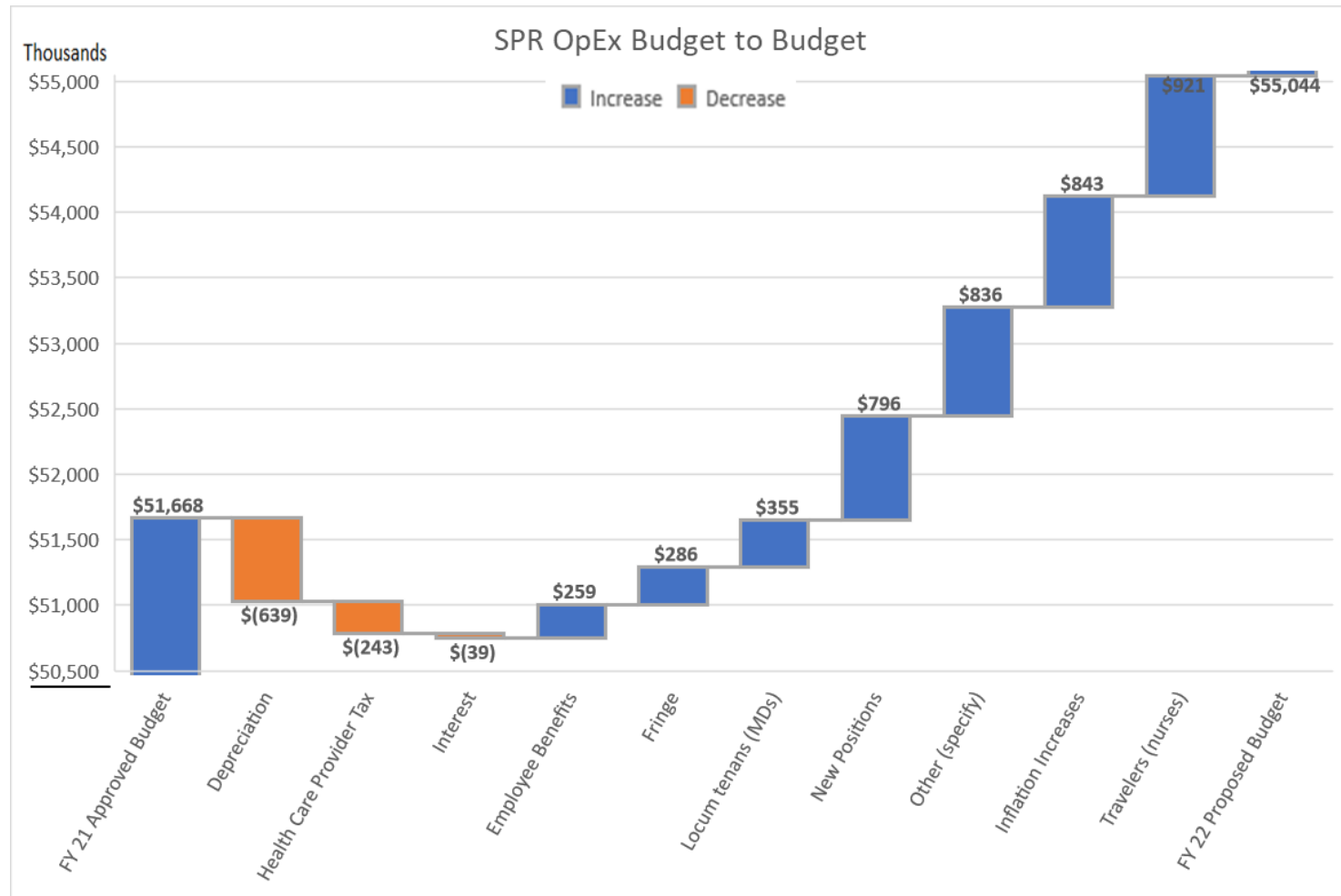
Hospital Justification

- NPR and rate increases are needed to continue the SPH's recovery
- Ensure operations remain sustainable in 2022,
- Continue to ensure access to essential community hospital services
- Rate request will prevent the exhaustion of cash instead of increasing cash
- Workforce volatility
- Allows SPH to fund high priority capital needs

SPR NPR/FPP Drivers: FY2021B-FY2022B

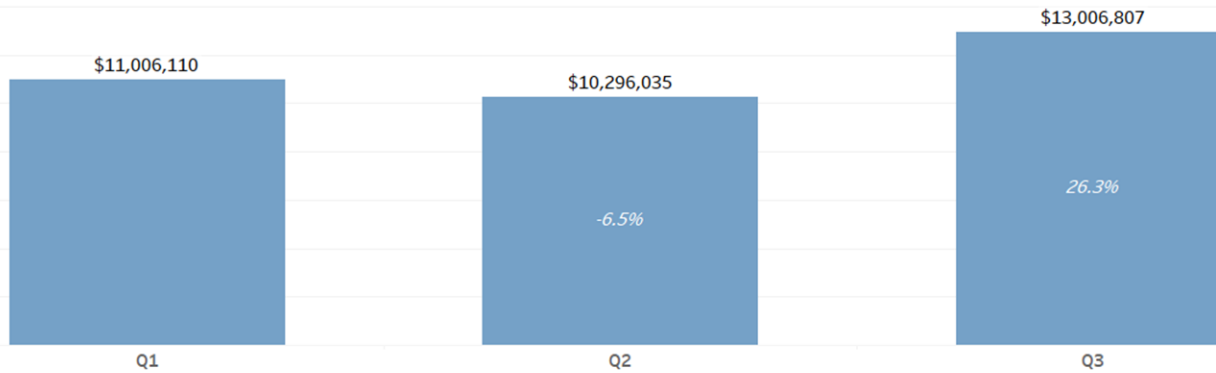


SPR Operating Expense Drivers: FY2021B-FY2022B

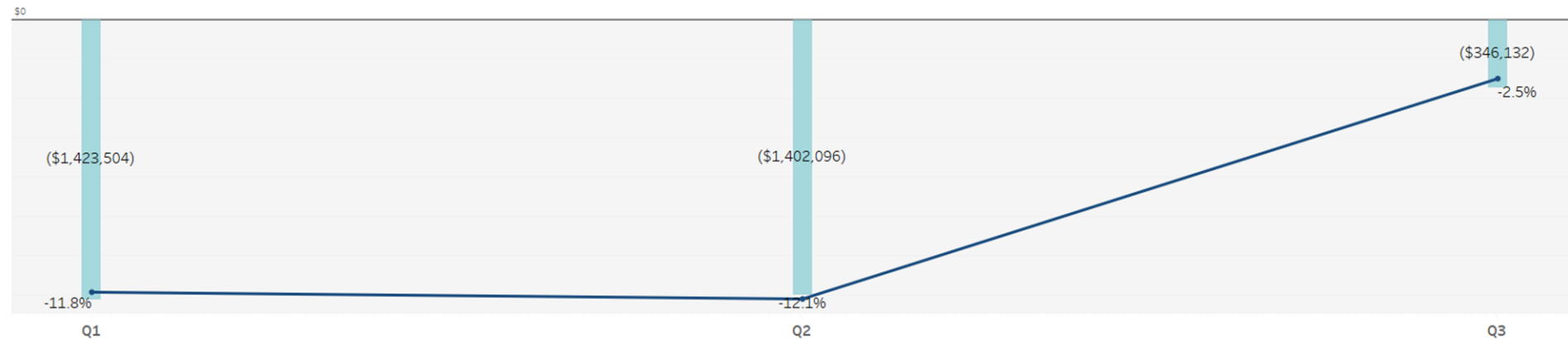


Springfield Hospital: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Springfield Hospital

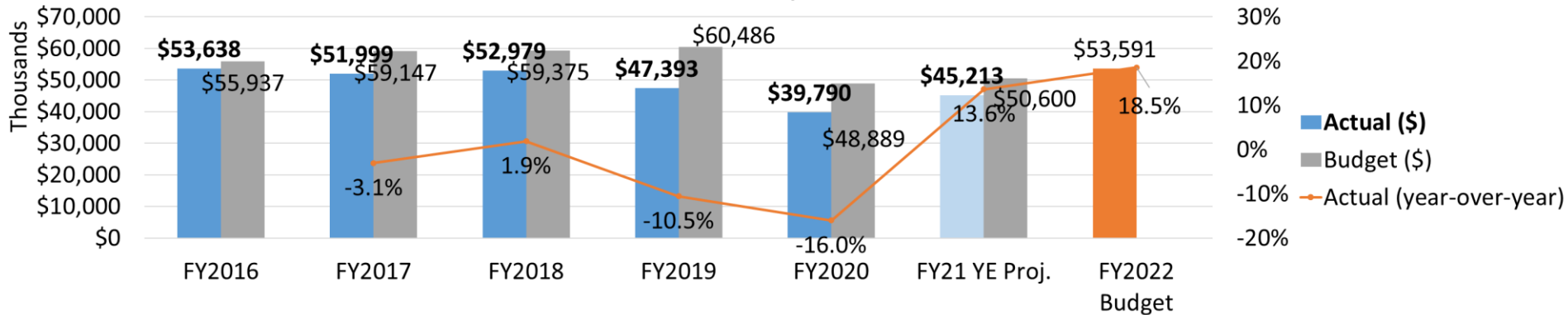


Operating Margin for Springfield Hospital

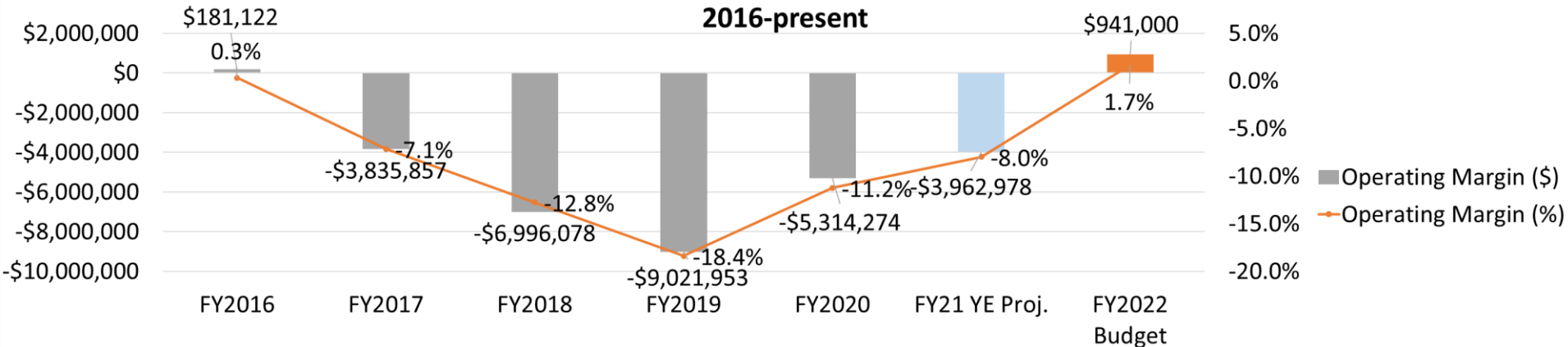


Springfield Hospital: Historical Operating Performance

**NPR/FPP
2016-present**



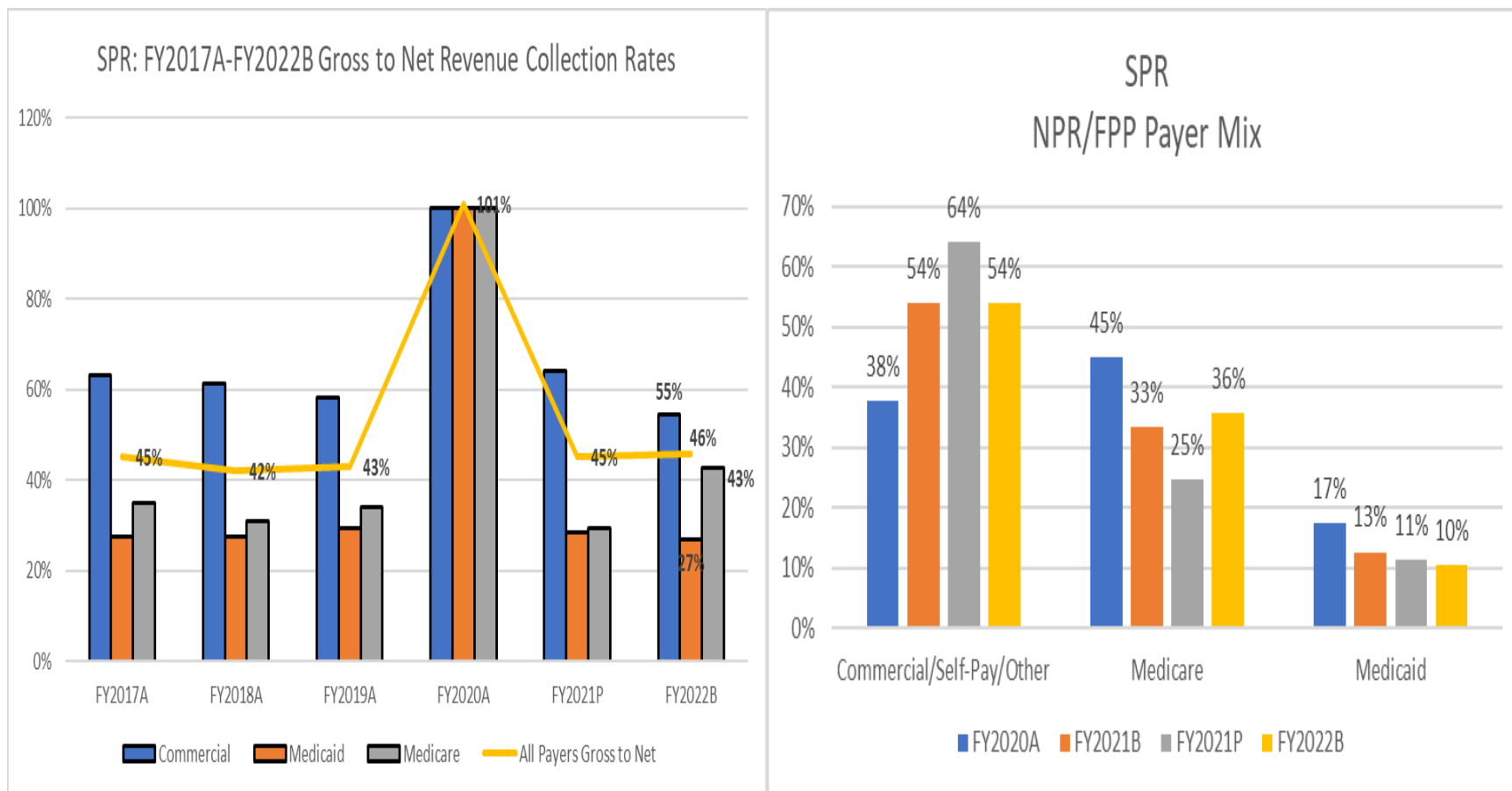
**Operating Margin
2016-present**



Springfield Hospital: Change in Charge

Request						
Overall Change in Charge %						8.30%
NPR due to Change in Charge						\$4,301,000
Value of 1% Change in Charge						\$512,676
Service Category						
Hospital Inpatient Change in Gross						-2.2%
Hospital Outpatient Change in Gross Charges						11.0%
All Other Change in Gross Charges						0.0%
Payer						
Commercial						\$2,851,000
Medicaid						\$233,000
Medicare						\$1,123,000
Total Self-Pay/Other						\$94,000
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)						\$2,990,690
Change in Charge (\$)						\$4,301,000
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved	0.0%	6.5%	10.0%	0.0%	4.0%	4.1%
Submitted	0.0%	6.5%	10.0%	0.0%	4.0%	4.1%

Springfield Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)



NOTE: GMCB recognizes the inaccuracy of Springfield's FY2020 reporting. Springfield has not completed the full entry of FY2020 audited financial information.

Springfield Hospital: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	5.9% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.9%. Original budget submission indicated 7.8% growth over FY2021B.	<ul style="list-style-type: none"> Reduce NPR/FPP growth rate to 0.0% from FY2021 budget, with COVID allowance, growth is 0.0%. This is reducing NPR/FPP for FY2022 by \$2,990,690. 	Reduced NPR/FPP growth rate to 0.0% from FY2021 budget, approved 9/13/2021.
Change in Charge	8.30%	<ul style="list-style-type: none"> Reduce rate 2.3%, to 6.0% reduces NPR/FPP by \$1,179,155 	Approved as submitted on 9/13/2021.
Additional Recommendation		<ul style="list-style-type: none"> Commensurate reductions to expenses Improved timely and accurate submission of financial data Presents revised budget to GMCB, and have hospital management provide strategic plan Monthly meetings with GMCB Chair and staff to continue 	<p>Approved on 9/13/2021:</p> <ul style="list-style-type: none"> Presentation of a revised budget to GMCB no later than 11/15/2021, and have hospital management and Board representative provide strategic plan with justification of NPR/FPP and expenses. Improved timely and accurate submission of financial data Monthly meetings with GMCB Chair and staff to continue

Springfield Hospital: Suggested Motion Language

Suggested motion language:

*Move to approve Springfield Hospital's budget as modified hereby, with an NPR/FPP **increase** of 0% from FY2021 to FY2022 budget, an 8.3% **increase** to overall charges as submitted, subject to the standard budget conditions as outlined on Slide 36, and with additional conditions to improve timely and accurate submission of financial data, and continue monthly meetings with GMCB chair and staff.*

More that as part of Springfield's budget order, require a presentation of a revised budget to the GMCB by hospital leadership, including a representative from Springfield's board, at a date to be negotiated between the GMCB chair and the hospital, but not later than November 15, and including a justification for NPR and expenses and a strategic visions for the hospital.

Provider Transfers

Previously Approved on May 19th:
Central Vermont Medical Hospital
University of Vermont Medical Center

University of Vermont Medical Center (UVMHC)



NPR/FPP

FY21 Budget-to-Projection Variance	-8.5%
FY21 Budget (\$)	\$1,415,656,433
FY21 Projection (\$)	\$1,295,787,839
FY22 Request (\$)	\$1,500,593,928
FY22 Request (% change FY21B)	6.0%
FY22 Request (% change FY21P)	15.8%

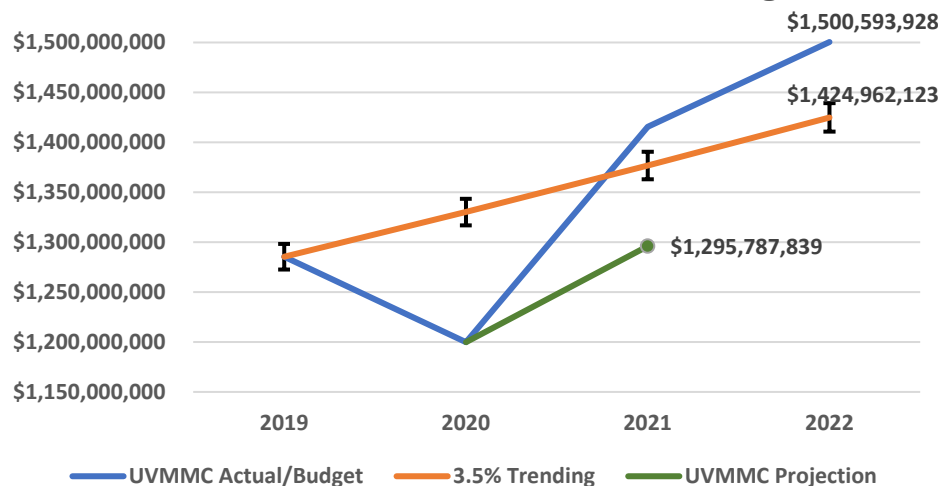
UVMHC's 6.0% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$39,519,903
Medicaid	\$(321)
Medicare	\$4,221,551
Self-Pay/Other	\$(1,122,548)

7.05% Overall Charge Master Increase

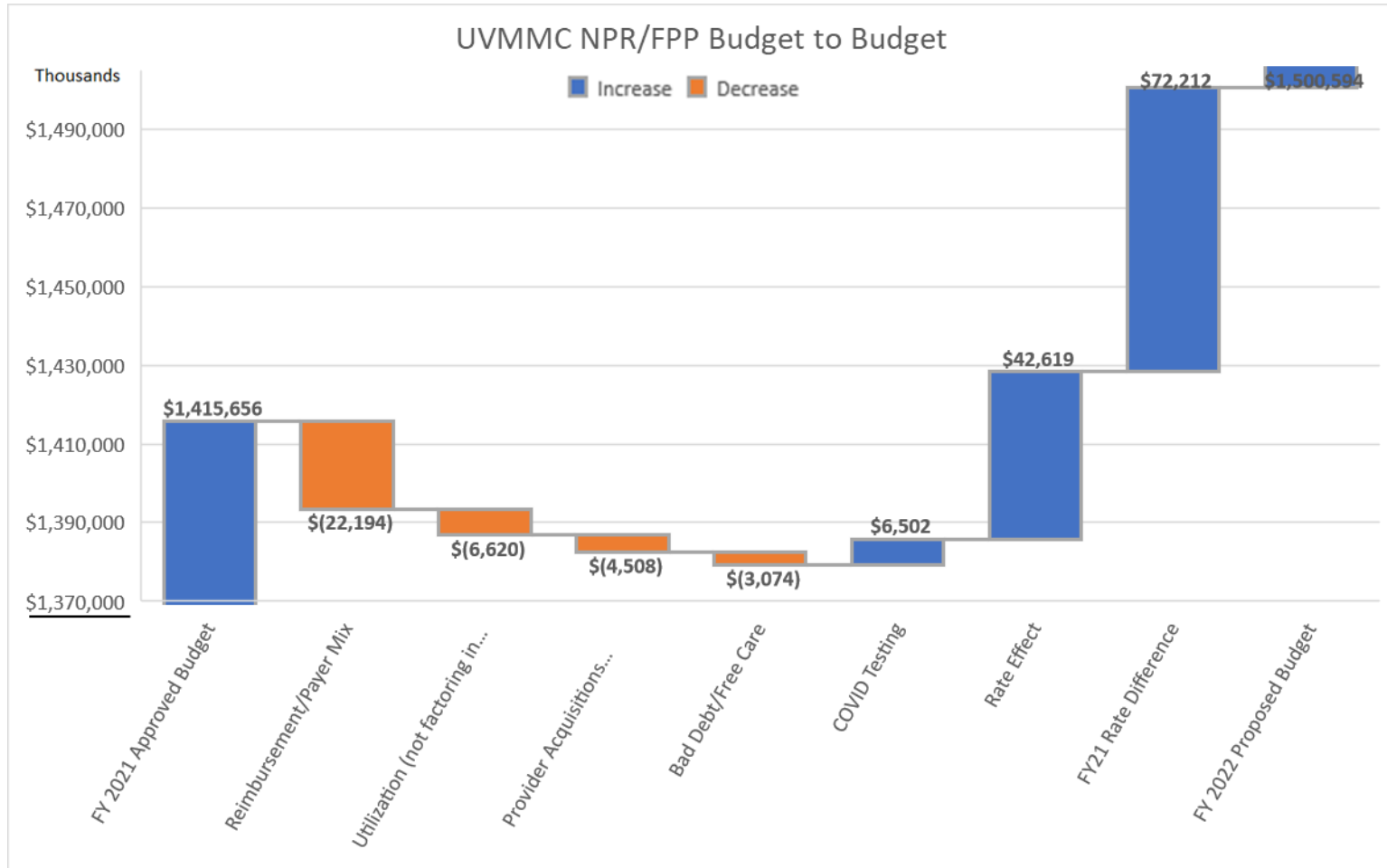
UVMHC Performance vs. 3.5% Trending



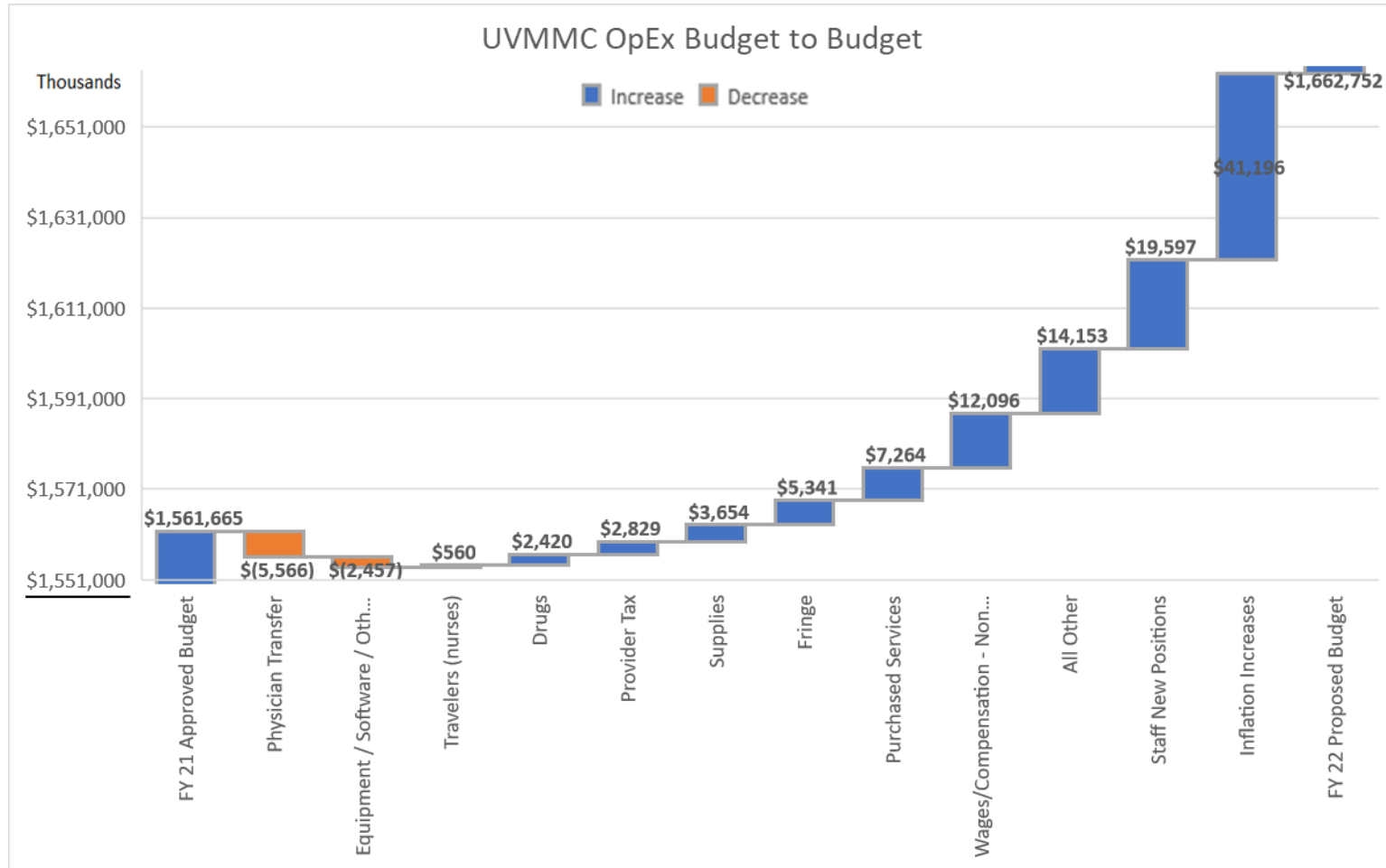
Hospital Justification:

- Volume surge, higher acuity of patients, & capacity.
- Staffing & capital investments to improve patient access.
- Inflationary pressures.
- Demographic changes and challenges.
- Sustainable and affordable.
- Stressed margins.
- 7.05% Rate for incremental inflation only.

UVMHC NPR/FPP Drivers: FY2021B-FY2022B

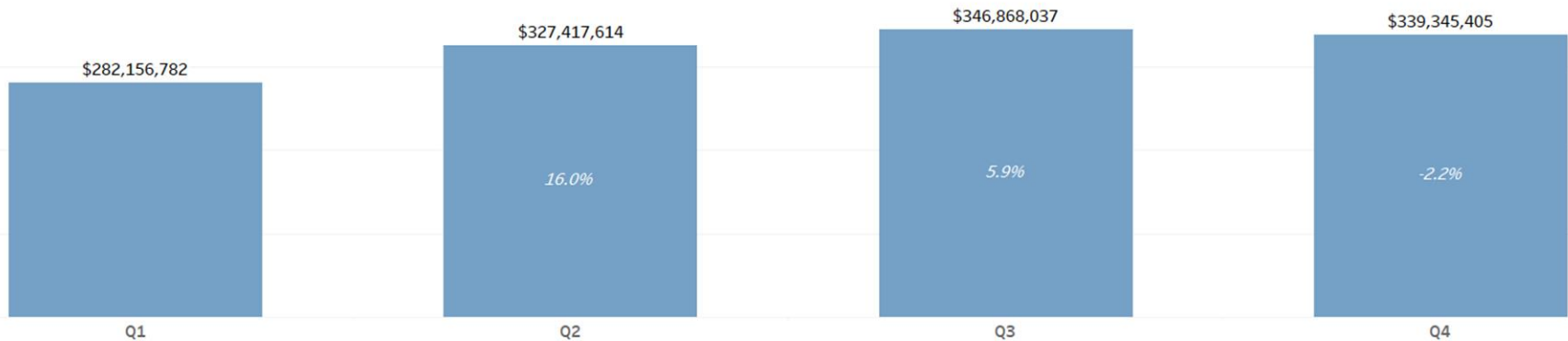


UVMHC Operating Expense Drivers: FY2021B-FY2022B



University of Vermont Medical Center: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
University of Vermont Medical Center



Operating Margin for University of Vermont Medical Center



University of Vermont Medical Center

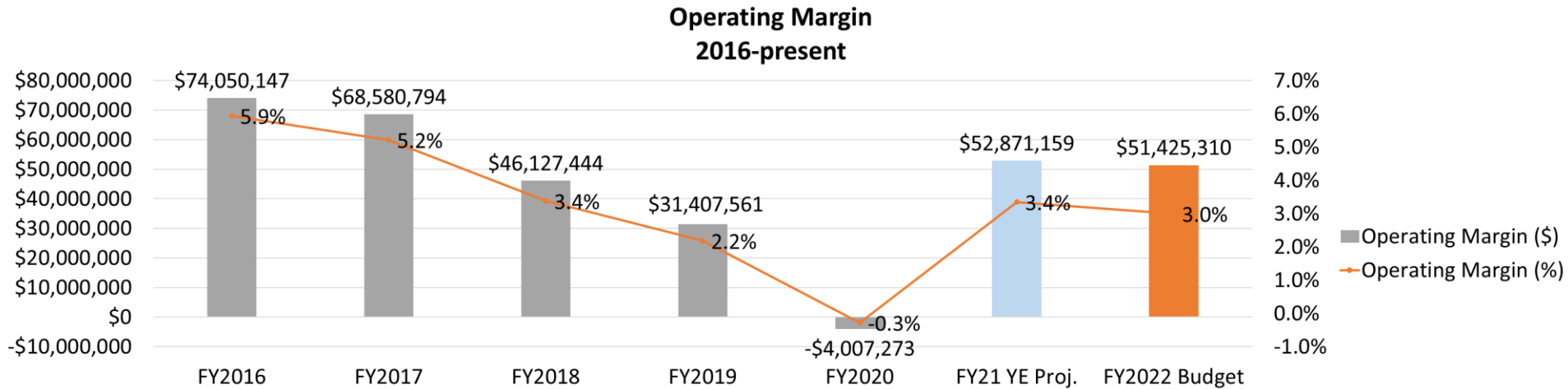
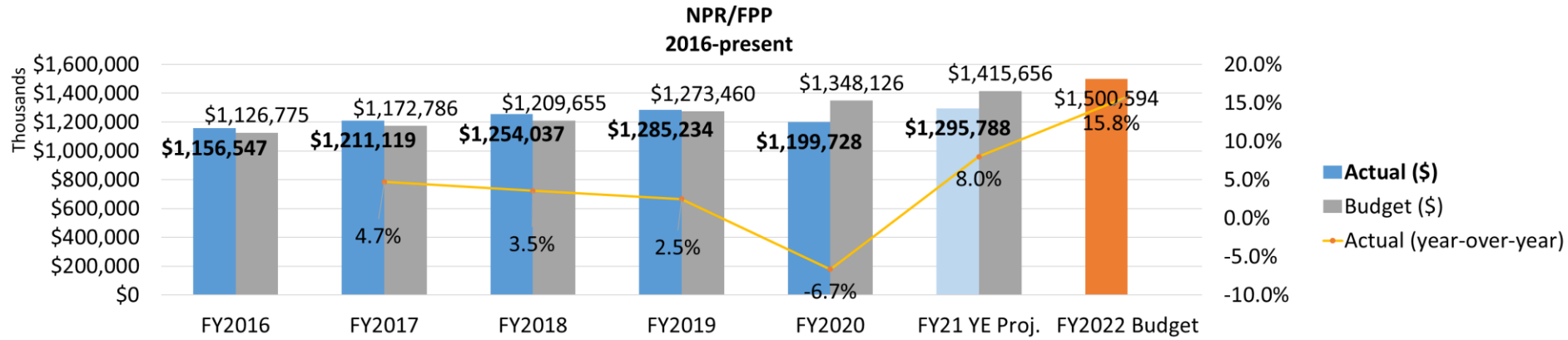


Service	NPR/FPP	Expenses	Net Profit/Loss	Effective Date	Adjustment to NPR/FPP
ENT	\$ (827,403)	\$ (985,840)	\$ 158,437	09/18/2020	
Family Medicine	\$ (2,558,804)	\$ (3,379,783)	\$ 820,979	09/18/2020	
General Surgery	\$ (1,121,825)	\$ (1,199,928)	\$ 78,103	09/18/2020	
	\$ (4,508,032)	\$ (5,565,551)	\$ 1,057,519		0.34%

[Link to May 19th Board Meeting Presentation](#)

[Link to May 19th Approved Minutes](#)

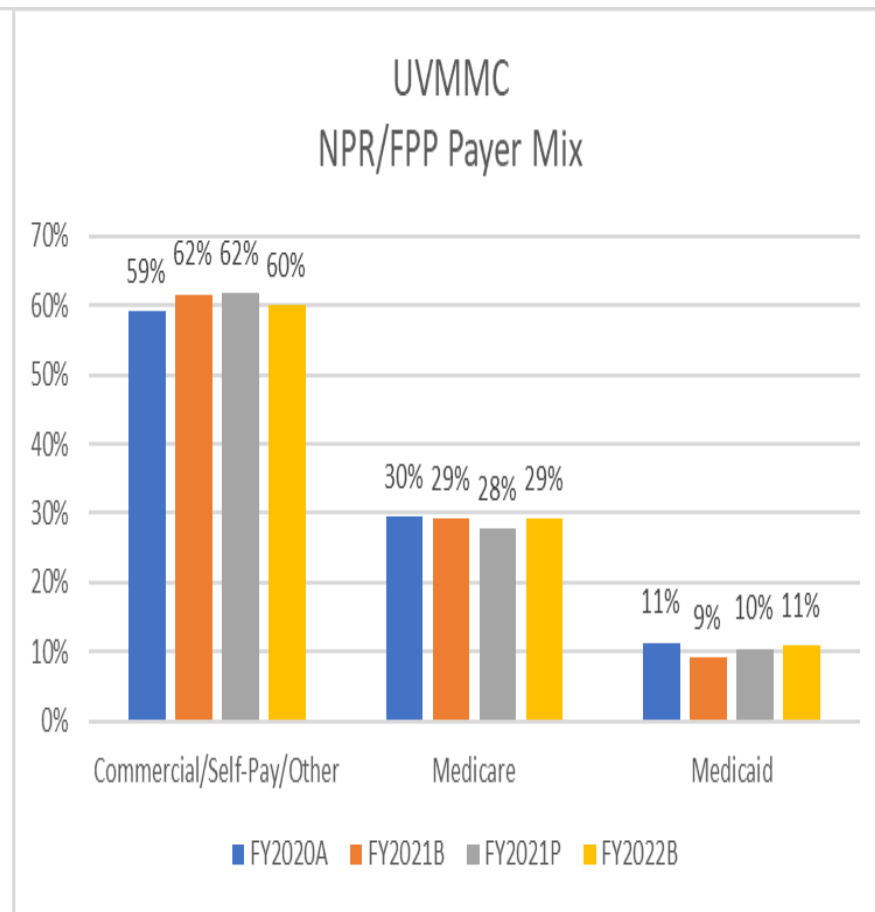
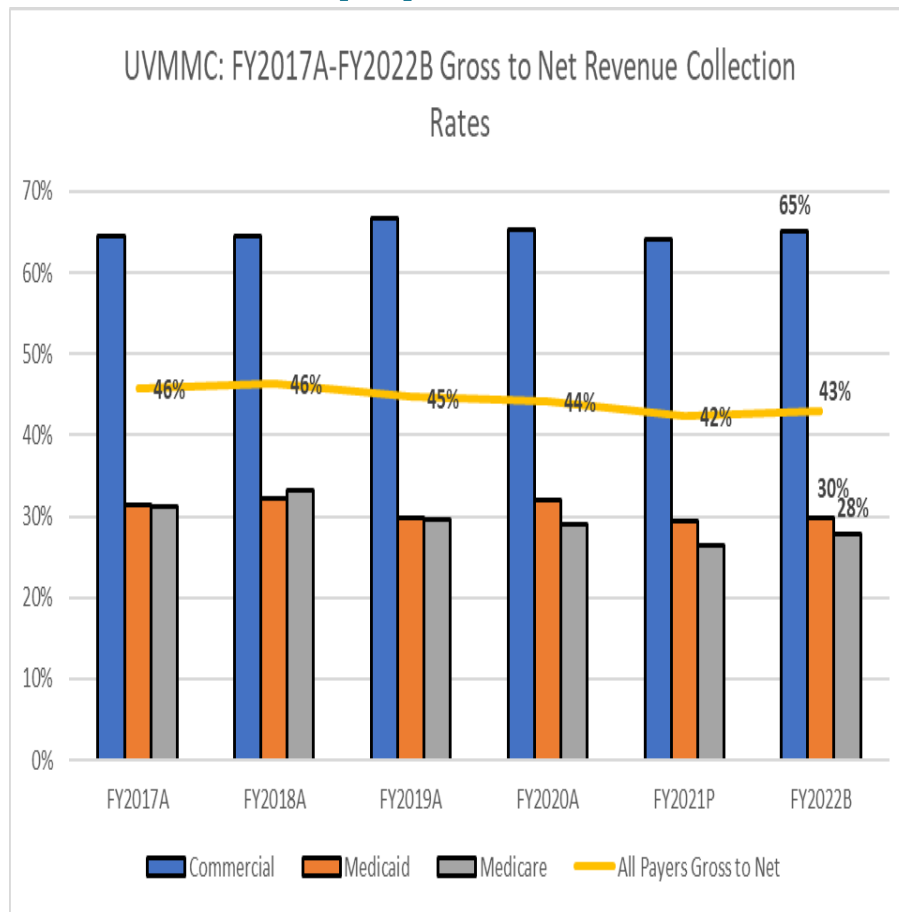
University of Vermont Medical Center: Historical Operating Performance



University of Vermont Medical Center: Change in Charge

Request						
Overall Change in Charge %						7.05%
NPR due to Change in Charge						\$42,618,585
Value of 1% Change in Charge Commercial						\$5,605,660
Value of 1% Change in Charge Medicare						\$3,508,659
Value of 1% Change in Charge Medicaid						\$784,762
Service Category						
Hospital Inpatient Change in Gross Charges						7.05%
Hospital Outpatient Change in Gross Charges						7.05%
Professional Services Change in Gross Charges						7.05%
Payer						
Commercial						\$39,519,903
Medicaid						-\$321
Medicare						\$4,211,251
Total Self-Pay/Other						-\$1,122,548
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)						\$84,937,495
Change in Charge (\$)						\$42,618,585
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved Overall	0.0%	0.0%	2.5%	3.0%	6.0%	2.3%
Submitted Overall	0.0%	0.0%	3.0%	3.0%	8.0%	2.8%
Approved Commercial	2.5%	0.7%	2.5%	3.5%	6.0%	3.0%
Submitted Commercial	3.0%	0.7%	4.0%	4.0%	8.0%	3.9%

University of Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)



University of Vermont Medical Center: Recommendations



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.0% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.5%.	Approve as submitted, with provider transfers, it is worth 6.34%.	Approved as submitted on 9/13/2021.
Change in Charge	7.05%	Reduce to 6.05%, effectively reducing NPR by \$5,605,660.	Reduced charge request to 6.05%, approved 9/13/2021.
Additional Recommendation			Approved 9/13/2021: <ul style="list-style-type: none"> • Develop a strategic plan and to share the plan with GMCB to address access to care/wait times. • Quarterly progress reports to the Board in a format directed by Chair GMCB.

University of Vermont Medical Center: Motion Language



Motion:

Move to include a condition in UVMMC budget order which would require UVMMC to develop and implement a strategic plan to address access to care and patient wait times, and share plan with GMCB, to ask UVMMC and GMCB staff work to identify applicable measures to track access to care, and to require UVMMC to make quarterly reports to GMCB on progress on strategic plan and wait time measures in a format as directed by the GMCB chair.

Motion:

*Move to approve University of Vermont Medical Center's budget as modified hereby, with an NPR/FPP **increase** of 6.00% from FY2021 to FY2022 budget (which will be a 6.34% increase after factoring in FY21 physician transfers from UVMMC to CVMC), a 6.05% **increase** to overall change in charge, subject to the standard budget conditions as outlined on Slide 36, and with the condition to address access to care and wait times.*

University of Vermont Medical Center: Access to Care / Wait Times



- To address access to care and long patient wait times for many specialists in the Burlington HSA, Chair Mullin requested specific ideas for a budget order condition for UVMMC.
- Dr. Brumsted sent a letter September 7 identifying actions UVMHN hospitals have taken to date to reduce staff shortages, use technology to improve patient flow, and adding or upgrading facilities and equipment to create greater capacity
- Potential elements of a budget order condition:
 - UVMMC develop and implement a strategic plan to address access to care and patient wait times, and share plan with GMCB
 - UVMMC and GMCB staff work to identify applicable measures to track access to care
 - Quarterly, UVMMC reports to GMCB on progress on strategic plan and wait time measures
 - Reporting may include an update presented at GMCB public meeting by UVMMC leadership or board chair

Porter Medical Center (PMC)

NPR/FPP

FY21 Budget-to-Projection Variance	-4.0%
FY21 Budget (\$)	\$89,810,557
FY21 Projection (\$)	\$86,218,427
FY22 Request (\$)	\$94,168,035
FY22 Request (% change FY21B)	4.9%
FY22 Request (% change FY21P)	9.2%

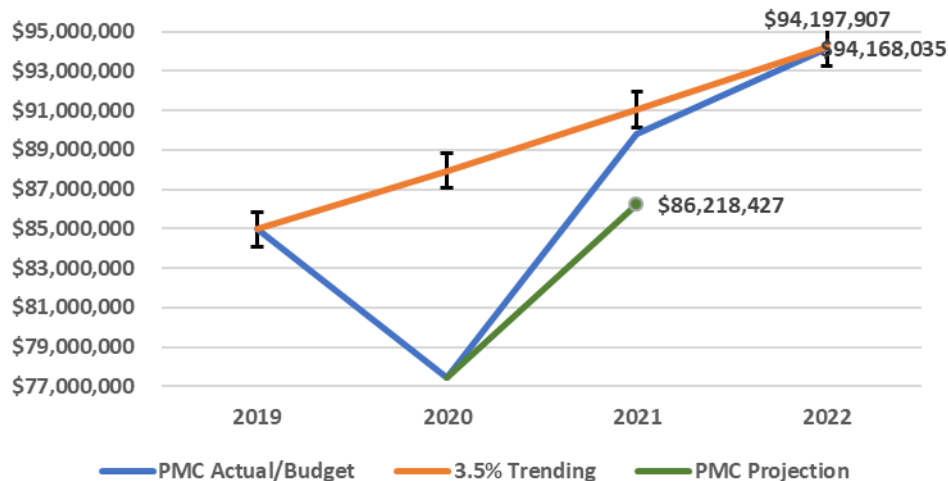
PMC's 4.9% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$1,884,054
Medicaid	\$0
Medicare	\$711,756
Self-Pay/Other	\$(10,579)

5.86% Overall Charge Master Increase

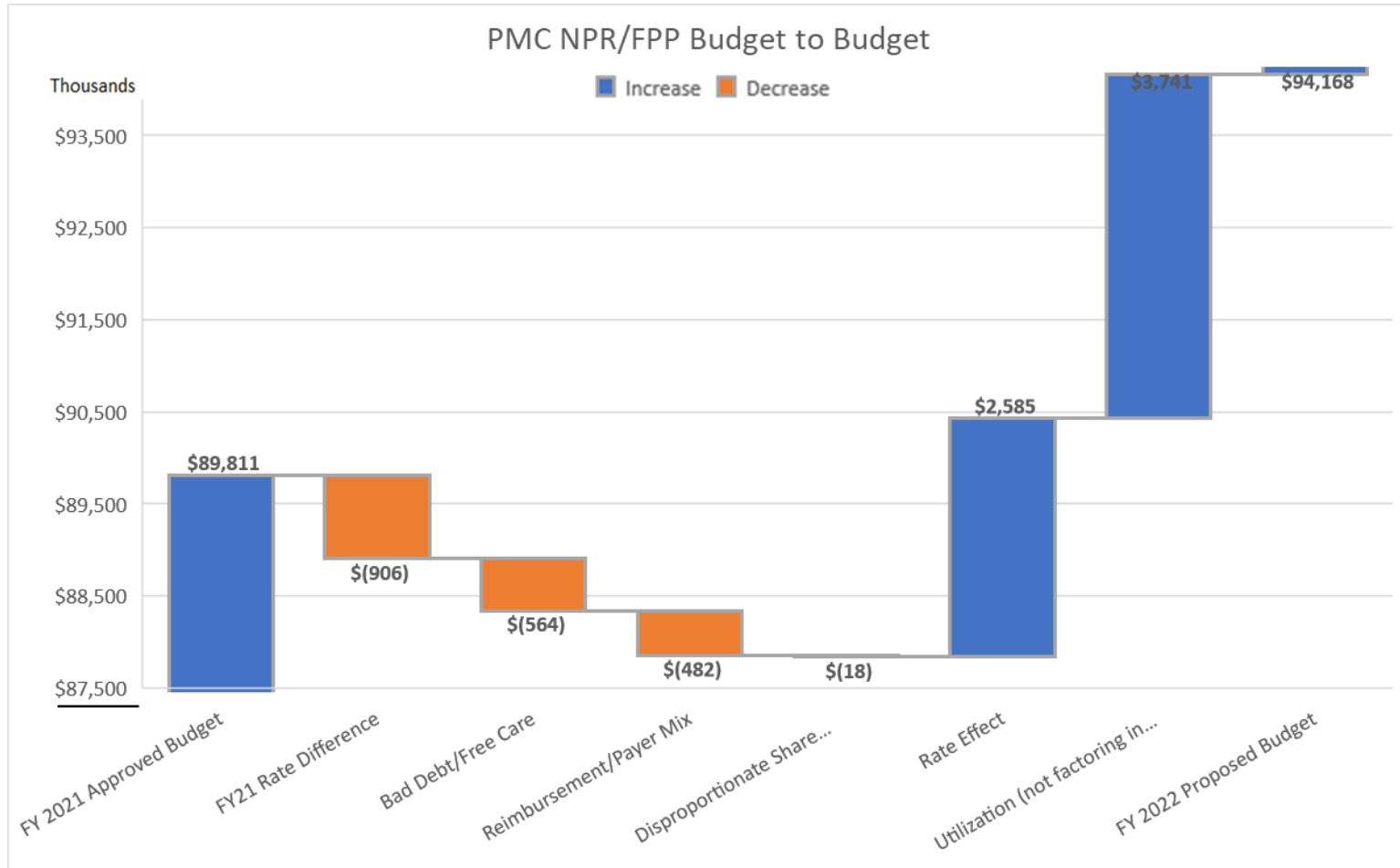
PMC Performance vs. 3.5% Trending



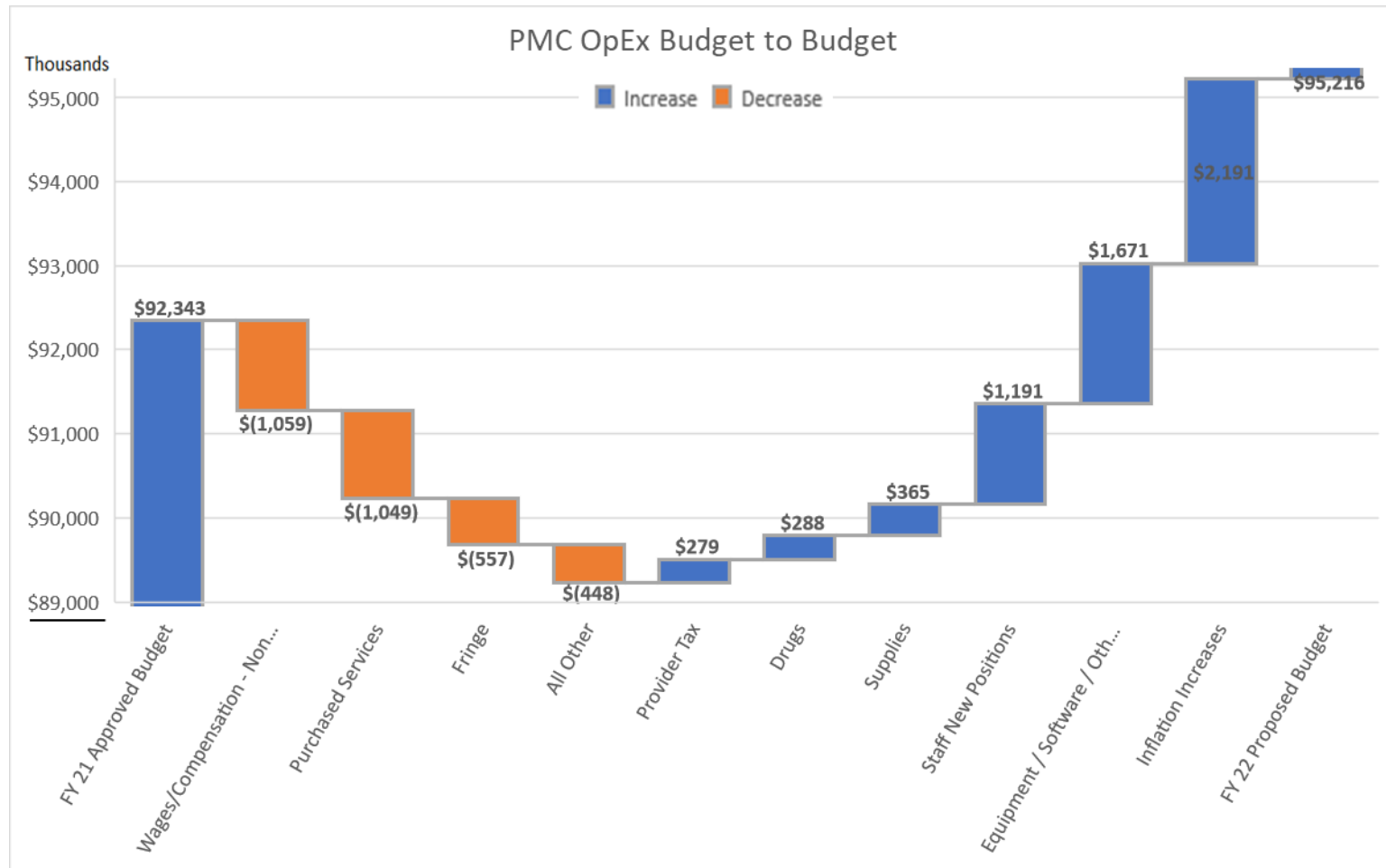
Hospital Justification:

- Staffing & capital investments to improve patient access such as a LNA training program.
- Sustainable and affordable.
- 5.9% Rate for incremental inflation only.

PMC NPR/FPP Drivers: FY2021B-FY2022B

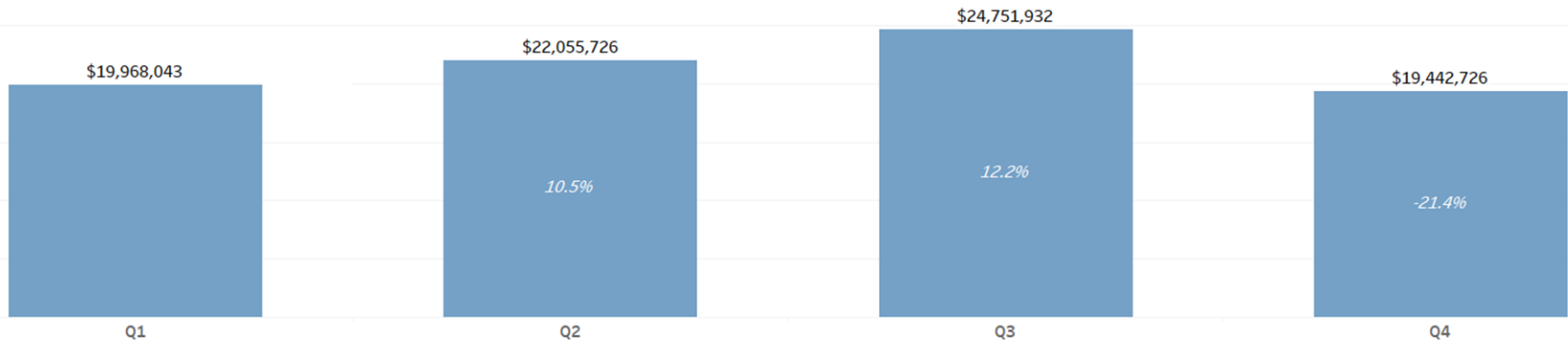


PMC Operating Expense Drivers: FY2021B-FY2022B

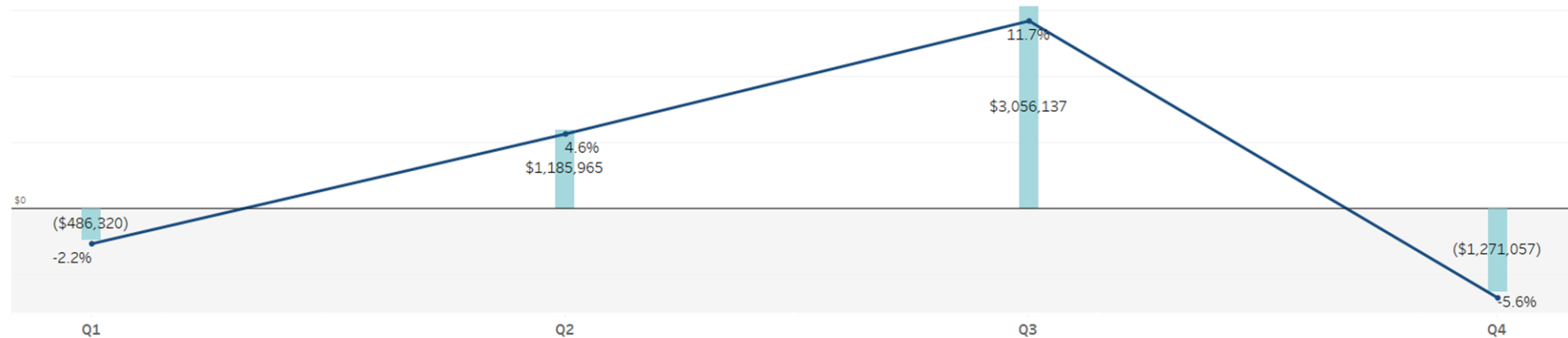


Porter Medical Center: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Porter Medical Center

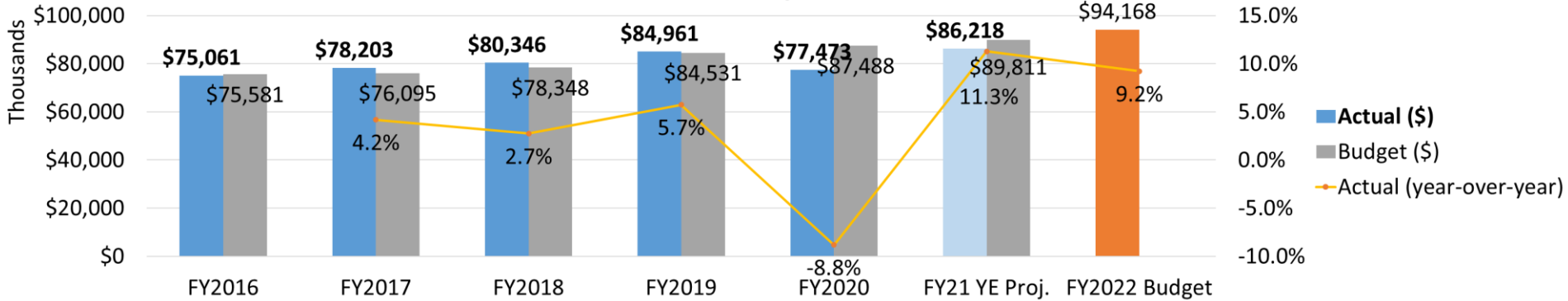


Operating Margin for Porter Medical Center

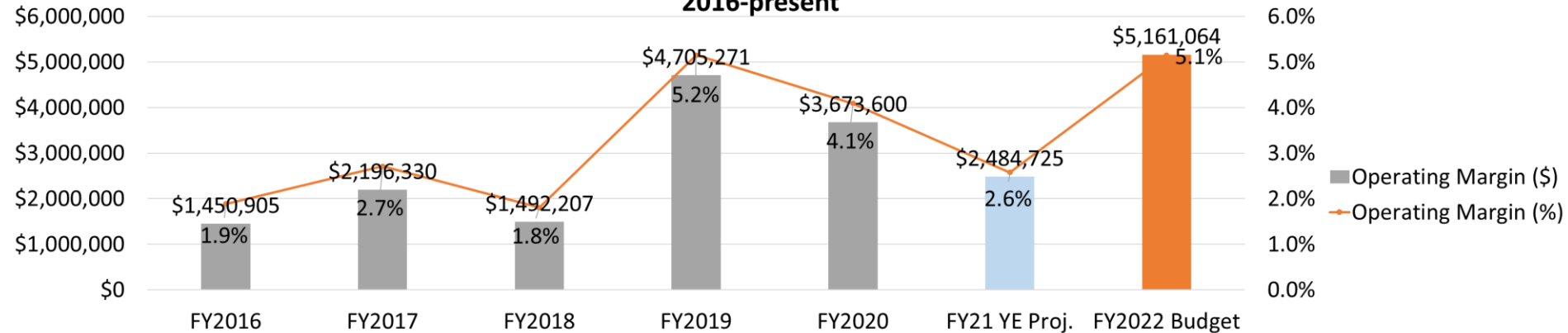


Porter Medical Center: Historical Operating Performance

**NPR/FPP
2016-present**



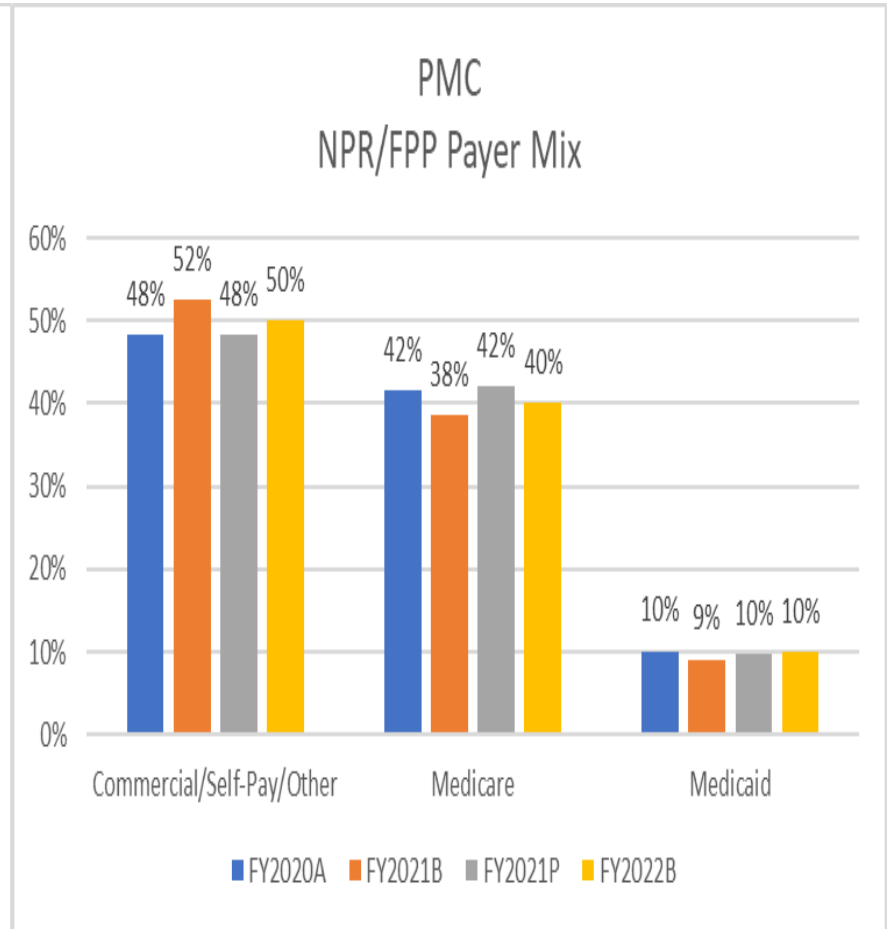
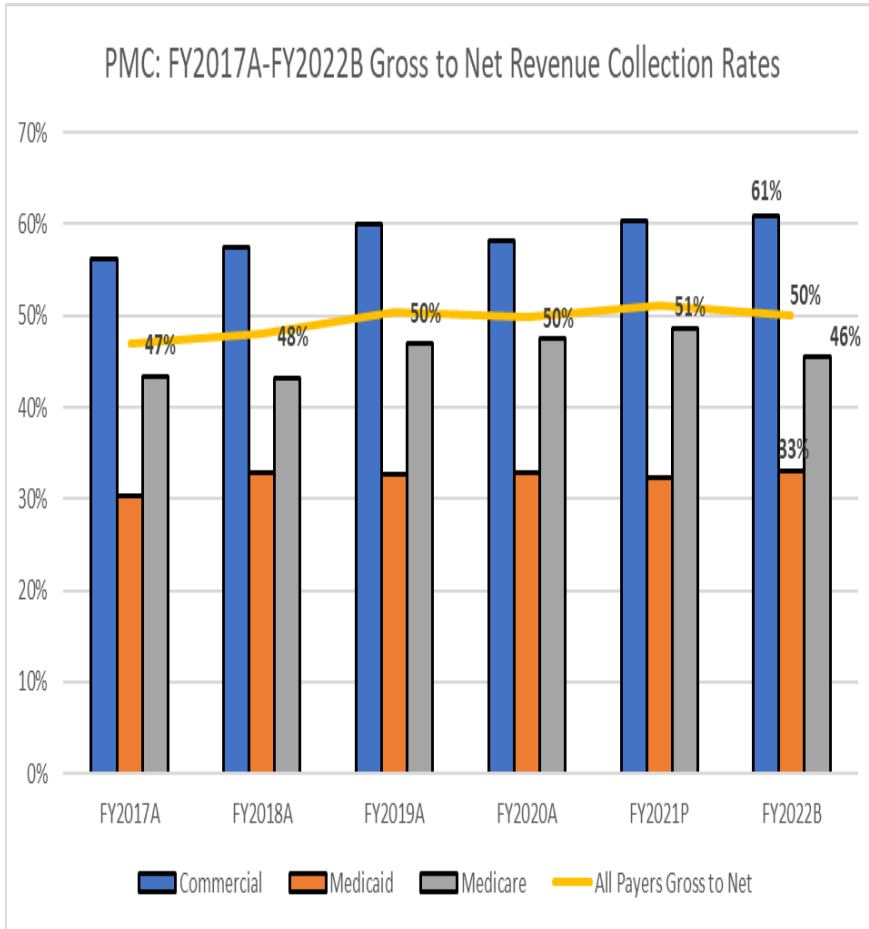
**Operating Margin
2016-present**



Porter Medical Center: Change in Charge

Request						
Overall Change in Charge %						5.86%
NPR due to Change in Charge						\$2,585,230
Value of 1% Change in Charge Commercial						\$321,511
Value of 1% Change in Charge Medicare						\$379,363
Value of 1% Change in Charge Medicaid						\$113,375
Hospital Inpatient Change in Gross Charges						5.86%
Hospital Outpatient Change in Gross Charges						5.86%
Professional Services Change in Gross Charges						5.86%
Payer						
Commercial						\$1,884,054
Medicaid						\$0
Medicare						\$711,756
Total Self-Pay/Other						-\$10,579
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)						\$4,357,479
Change in Charge (\$)						\$2,585,230
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved Overall	0.0%	0.0%	-1.0%	0.0%	0.0%	-0.2%
Submitted Overall	0.0%	0.0%	-1.0%	0.0%	0.0%	-0.2%
Approved Commercial	5.3%	3.0%	2.8%	2.6%	4.0%	3.5%
Submitted Commercial	5.3%	3.0%	2.8%	2.6%	5.8%	3.9%

Porter Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)



Porter Medical Center: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	4.9% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 4.9%.	<ul style="list-style-type: none"> Approve as submitted. 	Approved as submitted on 9/13/2021.
Change in Charge	5.86%	<ul style="list-style-type: none"> Reduce to 4.0%. 	Reduced charge request to 4.0% on 9/13/2021.
Additional Recommendation			

Suggested motion language:

*Move to approve Porter Medical Center's budget as modified hereby, with an NPR/FPP **increase** of 4.9% from FY2021 to FY2022 budget, a 4.0% **increase** to overall change in charge, and subject to the standard budget conditions as outlined on Slide 36.*

Central Vermont Medical Center (CVMC)



NPR/FPP

FY21 Budget-to-Projection Variance	-3.8%
FY21 Budget (\$)	\$236,081,037
FY21 Projection (\$)	\$227,104,899
FY22 Request (\$)	\$251,502,614
FY22 Request (% change FY21B)	6.5%
FY22 Request (% change FY21P)	10.7%

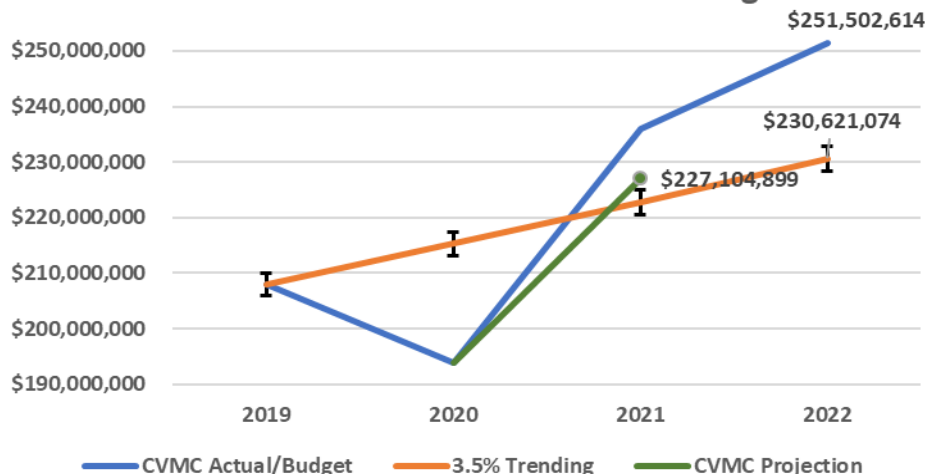
CVMC's 6.5% request is over the 3.5% growth rate guidance.

Change in Charges

Commercial	\$5,864,163
Medicaid	\$(178,653)
Medicare	\$1,232,823
Self-Pay/Other	\$(90,898)

7.41% Overall Charge Master Increase

CVMC Performance vs. 3.5% Trending



Hospital Justification:

- Staffing & capital investments to improve patient access
- Increase in complex acute admissions and high ED & ExpressCare volumes and boarders residing in ED.
- Margin improvement.
- Inflation pressures.

Central Vermont Medical Center

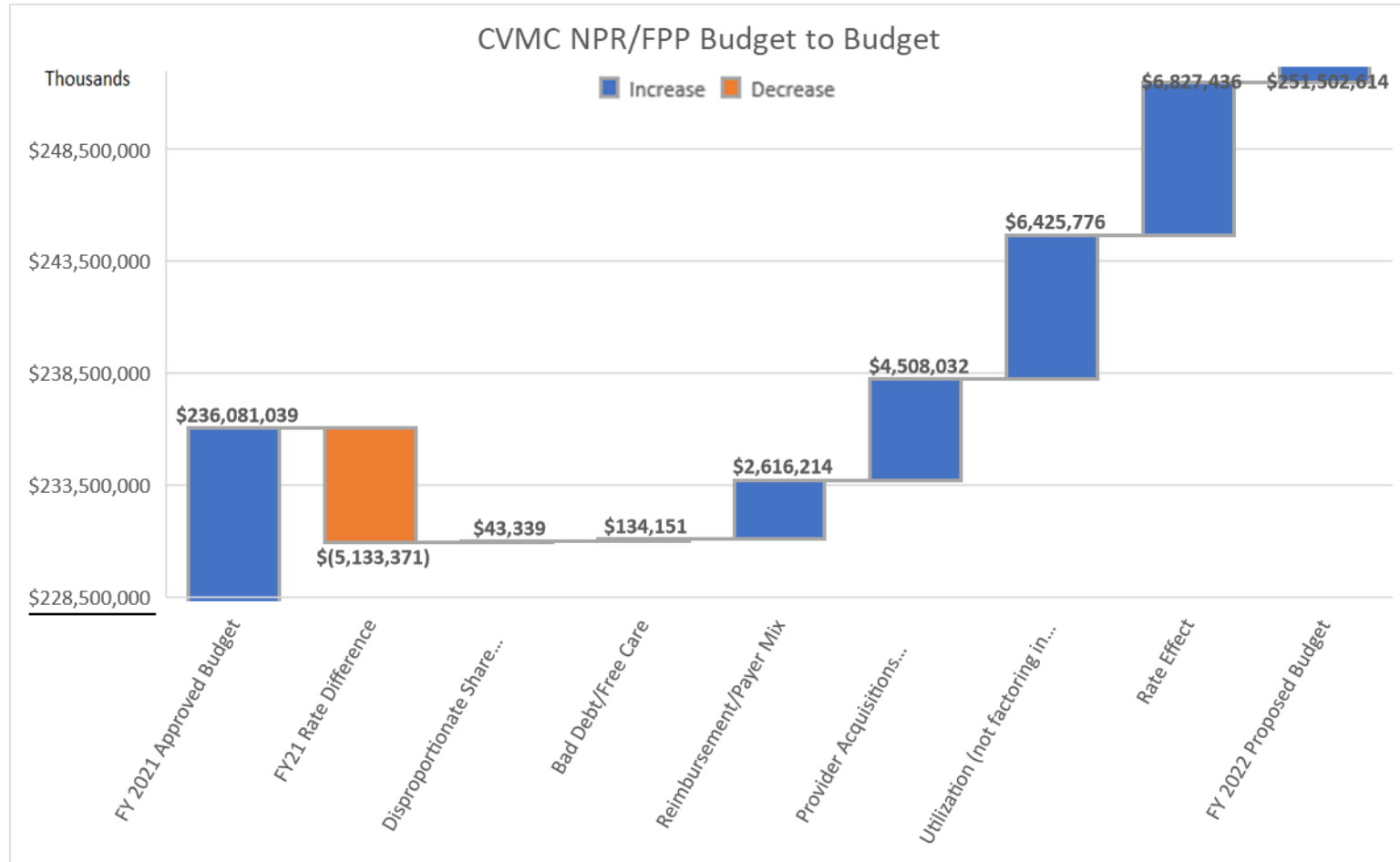


Service	NPR/FPP	Expenses	Net Profit/Loss	Effective Date	Adjustment to NPR/FPP
ENT	\$ 827,403	\$ 985,840	\$ (158,437)	09/18/2020	
Family Medicine	\$ 2,558,804	\$ 3,379,783	\$ (820,979)	09/18/2020	
General Surgery	\$ 1,121,825	\$ 1,199,928	\$ (78,103)	09/18/2020	
	\$ 4,508,032	\$ 5,565,551	\$ (1,057,519)		-2.00%

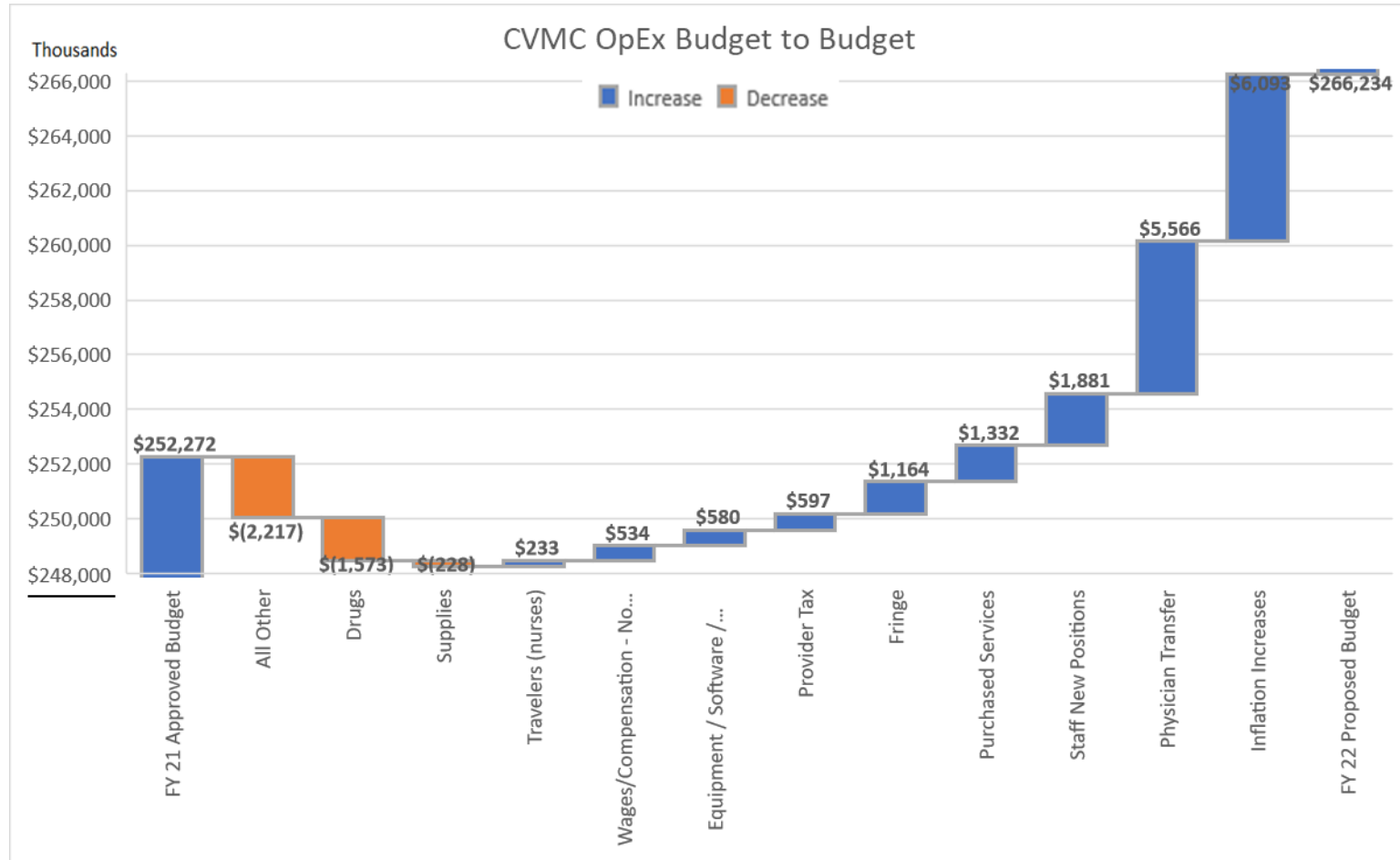
[Link to May 19th Board Meeting Presentation](#)

[Link to May 19th Approved Minutes](#)

CVMC NPR/FPP Drivers: FY2021B-FY2022B

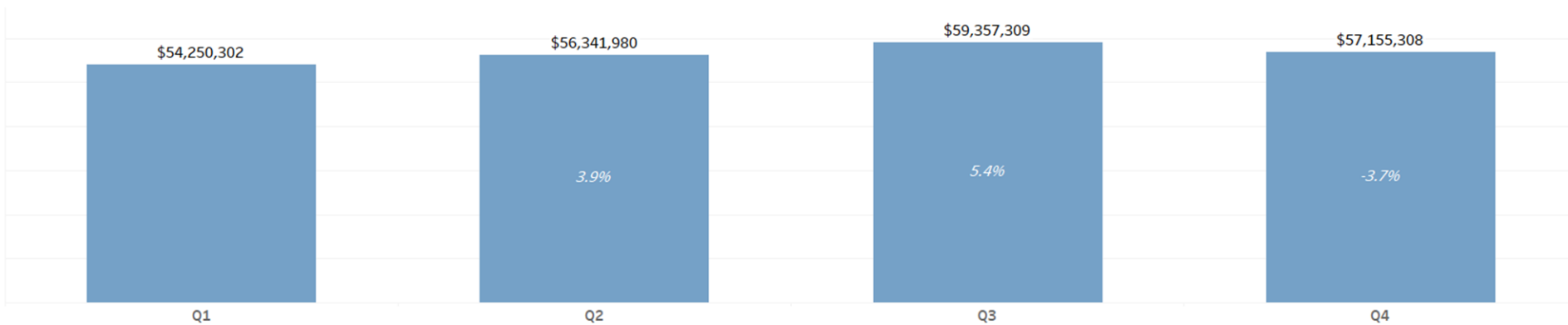


CVMC Operating Expense Drivers: FY2021B-FY2022B

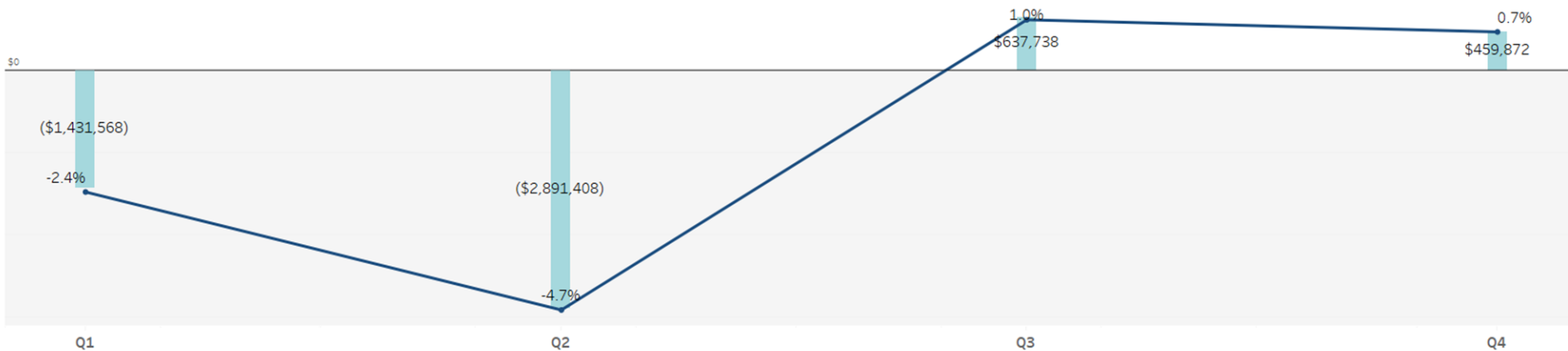


Central Vermont Medical Center: FY2021 Operating Performance

Quarterly NPR/FPP and Growth (%)
Central Vermont Medical Center

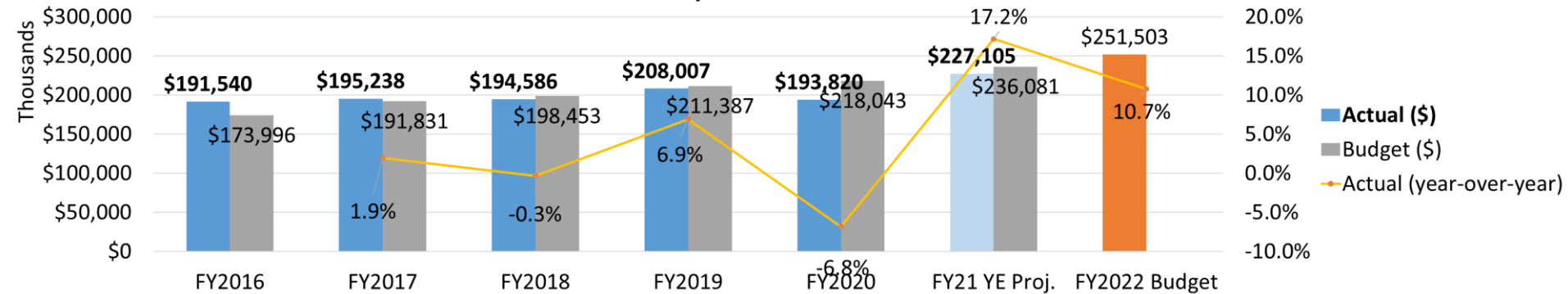


Operating Margin for Central Vermont Medical Center

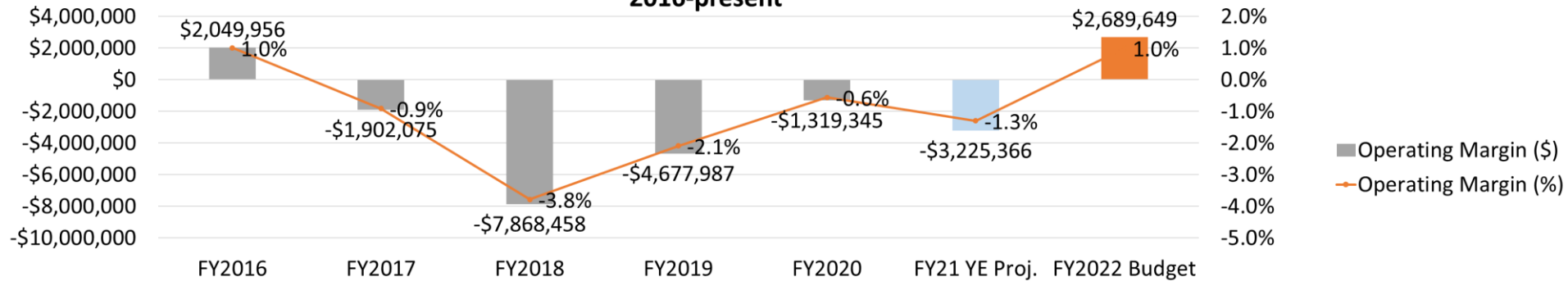


Central Vermont Medical Center: Historical Operating Performance

**NPR/FPP
2016-present**



**Operating Margin
2016-present**



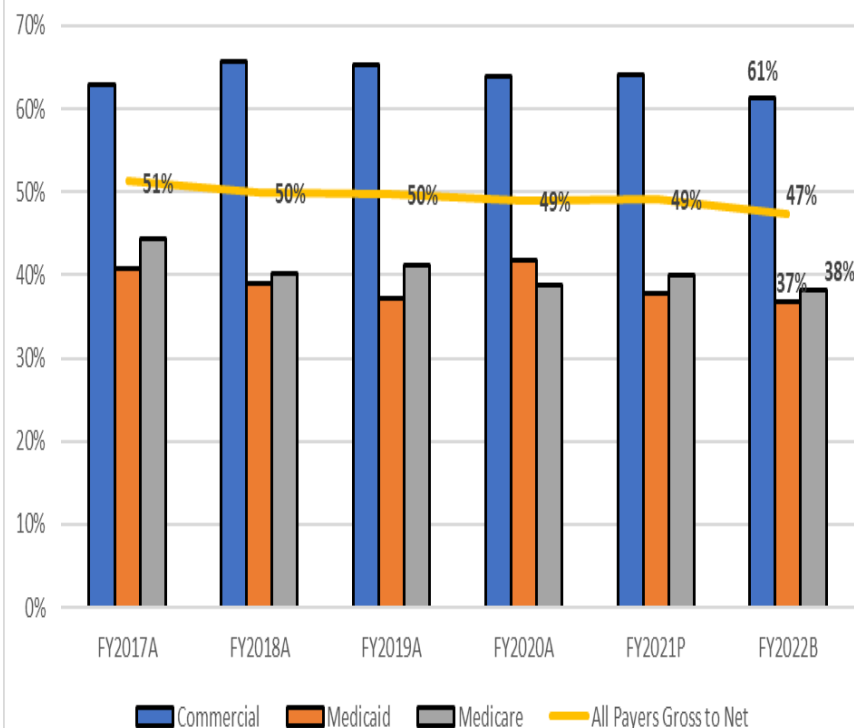
Central Vermont Medical Center: Change in Charge



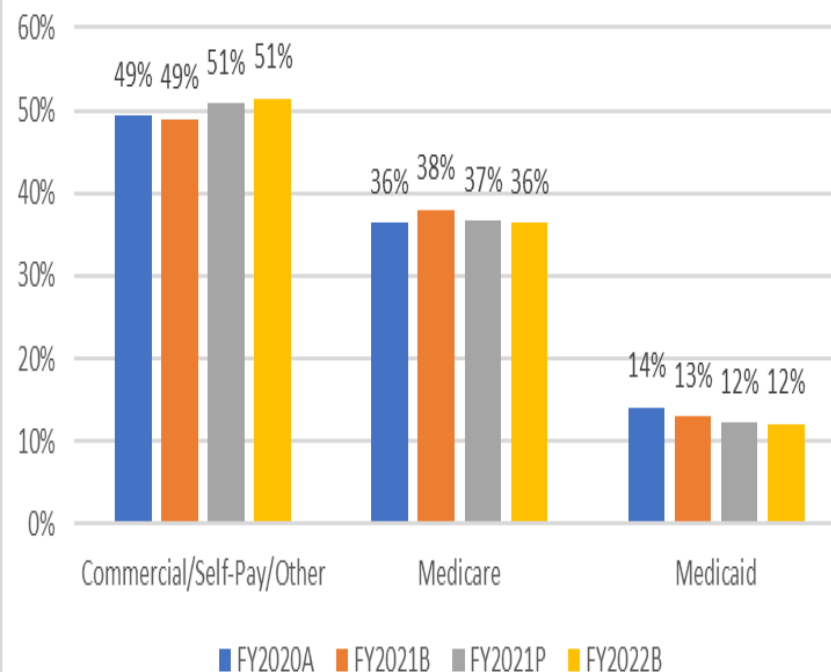
Request						
Overall Change in Charge %						7.41%
NPR due to Change in Charge						\$6,827,436
Value of 1% Change in Charge Commercial						\$791,385
Value of 1% Change in Charge Medicare						\$709,074
Value of 1% Change in Charge Medicaid						\$171,513
Service Category						
Hospital Inpatient Change in Gross Charges						7.41%
Hospital Outpatient Change in Gross Charges						7.41%
Professional Services Change in Gross Charges						7.41%
Payer						
Commercial						\$5,864,163
Medicaid						-\$178,653
Medicare						\$1,232,823
Total Self-Pay/Other						-\$90,898
NPR/FPP & Change in Charge Increase						
FY22 Request (\$ change FY21B)						\$15,421,575
Change in Charge (\$)						\$6,827,436
	FY17	FY18	FY19	FY20	FY21	5-year average
Approved Overall	0.0%	0.20%	2.3%	3.0%	6.0%	2.3%
Submitted Overall	0.0%	0.20%	2.8%	3.0%	6.0%	2.4%
Approved Commercial	2.45%	0.72%	2.3%	5.9%	7.0%	3.7%
Submitted Commercial	3.0%	0.72%	2.8%	5.9%	8.5%	4.2%

Central Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

CVMC: FY2017A-FY2022B Gross to Net Revenue Collection Rates



CVMC
NPR/FPP Payer Mix



Central Vermont Medical Center: Recommendations

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.5% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 6.5%. NPR growth is 4.54% with provider transfers.	<ul style="list-style-type: none"> Reduce submitted NPR/FPP growth rate to 5.72% based on reduction to rate request effectively reducing NPR/FPP by \$1,907,238, growth rate with provider transfers would be 3.74%. 	Reduced NPR/FPP growth rate to 3.74% from FY2021 budget including provider transfers, approved 9/13/2021.
Change in Charge	7.41%	<ul style="list-style-type: none"> Reduce requested charge to 5.0%, effectively reducing submitted NPR/FPP by \$1,907,238. 	Reduced charge request increase to 6.0%, approved 9/13/2021.
Additional Recommendation		<ul style="list-style-type: none"> Commensurate reductions to expenses 	Approved commensurate reductions to expenses on 9/13/2021.

Suggested motion language:

*Move to approve Central Vermont Medical Center's budget as modified hereby, with an NPR/FPP **increase** of 5.72% from FY2021 to FY2022 budget (which will be a 3.74% increase after factoring in FY21 physician transfers from UVMMC to CVMC) with commensurate reductions to operating expense growth in the aggregate in order to protect margins, a 6.0% **increase** to overall change in charge, and subject to the standard budget conditions as outlined on Slide 36.*

Reconsideration Request: BMH

- Received 9/10/2021 from Steven R. Gordon, CEO
- Link to letter:
https://gmcboard.vermont.gov/sites/gmcb/files/documents/20210910_BMHRequestforReconsiderationofFY22Budget.pdf
- Brattleboro deliberation slides: 85-93

Additional Resources

DCOH History

Hospital	FY2016 Actuals	FY2017 Actuals	FY2018 Actuals	FY2019 Actuals	FY2020 Actuals	FY2021 Projection	FY2022 Budget
Brattleboro Memorial Hospital	229	195	196	157	220	176	156
Central Vermont Medical Center	99	116	110	96	132	112	110
Copley Hospital	82	84	64	62	200	121	44
Gifford Medical Center	181	209	224	237	333	317	298
Grace Cottage Hospital	78	86	92	92	241	219	150
Mt. Ascutney Hospital & Health Ctr	91	119	132	144	207	205	187
North Country Hospital	169	185	213	220	318	328	270
Northeastern VT Regional Hospital	123	124	120	107	207	196	143
Northwestern Medical Center	351	331	300	255	290	306	322
Porter Medical Center	101	119	127	128	167	152	148
Rutland Regional Medical Center	205	216	209	202	275	279	255
Southwestern VT Medical Center	59	44	38	41	70	51	43
Springfield Hospital	104	101	46	17	48	20	20
The University of Vermont Medical Center	214	229	202	169	193	209	185

PPS Commercial to Medicare Ratio

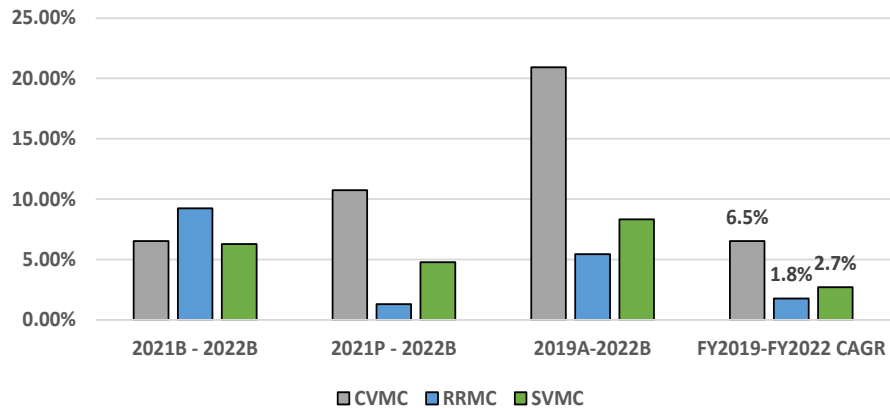
PPS	Payer	FY2017A	FY2018A	FY2019A	FY2020A	FY2021P	FY2022B
BMH	Commercial	158%	121%	207%	180%	176%	154%
	Medicaid	66%	71%	64%	69%	49%	76%
CVMC	Commercial	142%	163%	159%	165%	160%	161%
	Medicaid	80%	78%	75%	85%	77%	78%
NMC	Commercial	115%	119%	115%	112%	146%	136%
	Medicaid	77%	84%	76%	82%	60%	67%
RRMC	Commercial	200%	207%	217%	200%	206%	214%
	Medicaid	59%	50%	49%	54%	71%	65%
SVMC	Commercial	201%	200%	200%	201%	208%	215%
	Medicaid	66%	69%	68%	72%	65%	63%
UVMHC	Commercial	206%	195%	224%	226%	242%	234%
	Medicaid	69%	70%	67%	73%	69%	69%
Ratio to Medicare		100%	100%	100%	100%	100%	100%

CAH Commercial to Medicare Ratio

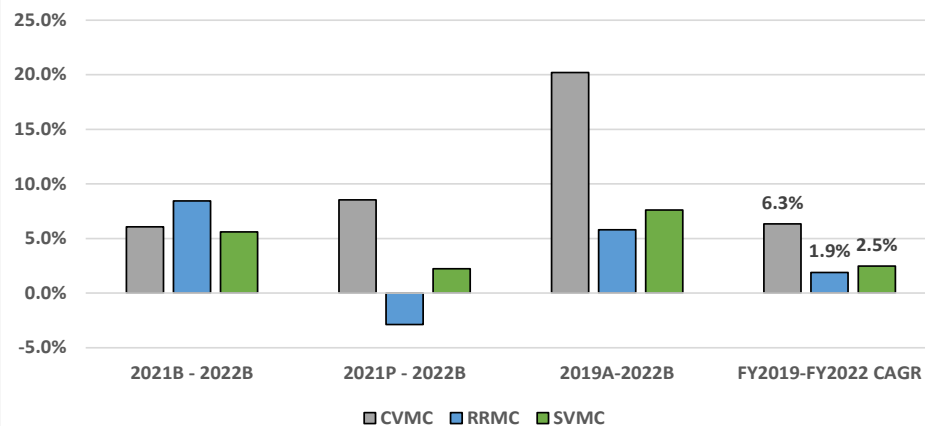
CAH	Payer	FY2017A	FY2018A	FY2019A	FY2020A	FY2021P	FY2022B
COP	Commercial	157%	142%	164%	159%	173%	164%
	Medicaid	59%	67%	69%	65%	95%	95%
GMC	Commercial	175%	167%	172%	160%	176%	180%
	Medicaid	53%	37%	40%	73%	81%	78%
GCH	Commercial	68%	80%	77%	68%	72%	72%
	Medicaid	58%	54%	54%	51%	55%	56%
MAHHC	Commercial	116%	119%	105%	115%	115%	122%
	Medicaid	47%	55%	34%	31%	49%	82%
NCH	Commercial	165%	157%	180%	165%	183%	186%
	Medicaid	55%	64%	64%	65%	67%	64%
NVHR	Commercial	167%	143%	136%	138%	138%	141%
	Medicaid	58%	68%	70%	65%	77%	82%
PMC	Commercial	130%	133%	127%	122%	124%	133%
	Medicaid	65%	68%	65%	66%	63%	66%
SPR	Commercial	180%	199%	171%	100%	218%	128%
	Medicaid	61%	65%	68%	99%	63%	59%
Ratio to Medicare		100%	100%	100%	100%	100%	100%

PPS growth

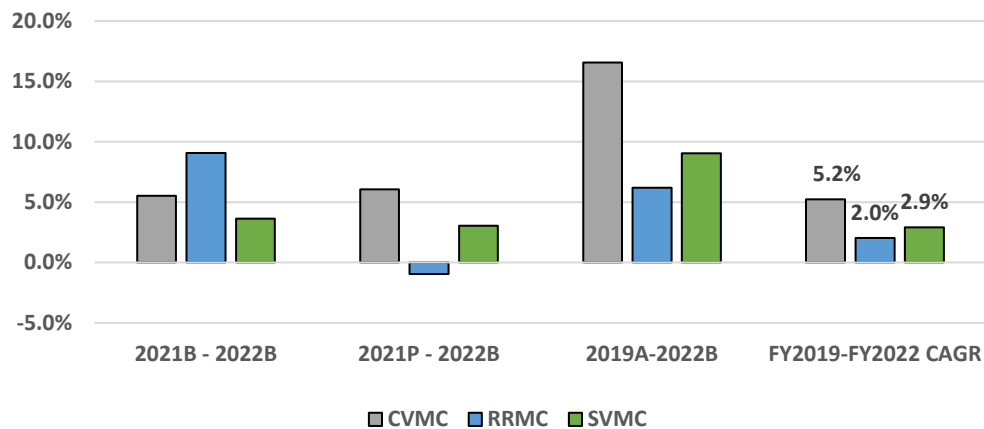
**NPR/FPP Growth
Select PPS**



**Operating Revenue Growth
Select PPS**

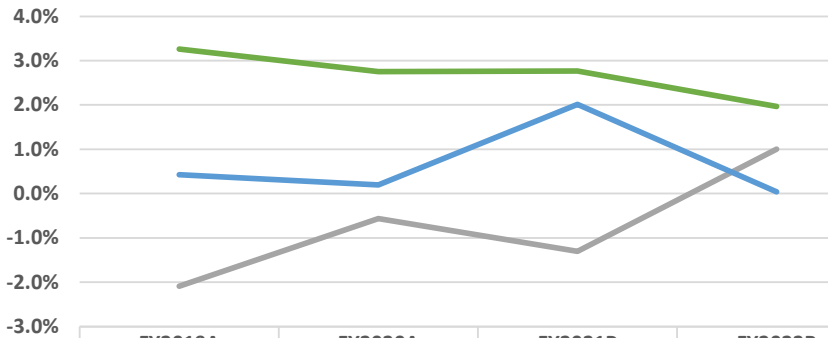


**Operating Expense Growth
Select PPS**



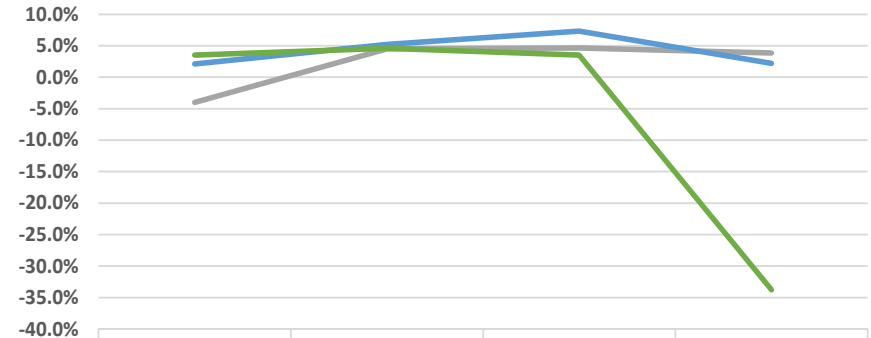
PPS Margins (%)

Operating Margins (%)
Select PPS



	FY2019A	FY2020A	FY2021P	FY2022B
CVMC	-2.1%	-0.6%	-1.3%	1.0%
RPMC	0.4%	0.2%	2.0%	0.0%
SVMC	3.3%	2.8%	2.8%	2.0%

Total Margins (%)
Select PPS



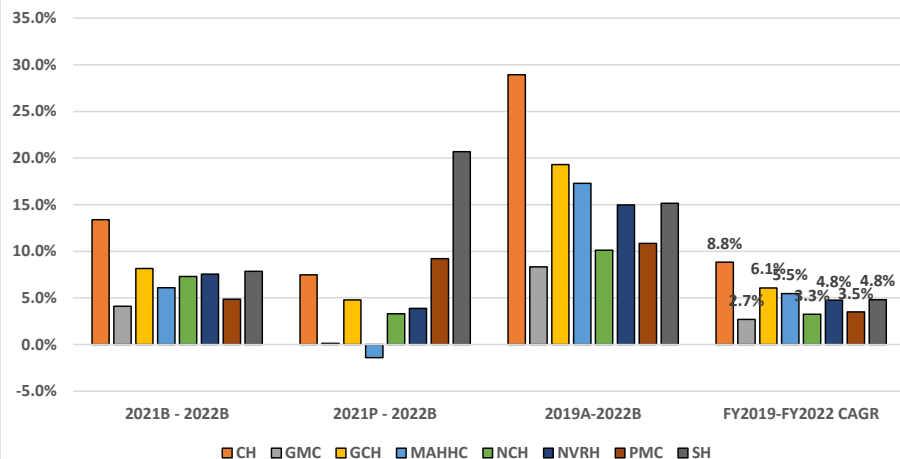
	FY2019A	FY2020A	FY2021P	FY2022B
CVMC	-4.0%	4.5%	4.7%	3.9%
RPMC	2.1%	5.2%	7.3%	2.2%
SVMC	3.5%	4.6%	3.5%	-33.7%

Change in Charge-PPS

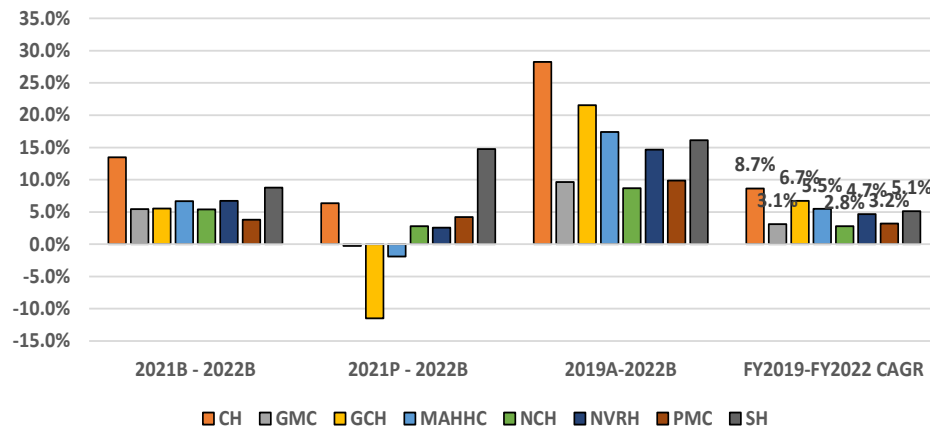
		FY17	FY18	FY19	FY20	FY21	5-year average
CVMC	Approved	0.0%	0.20%	2.3%	3.0%	6.0%	2.3%
CVMC	Submitted	0.0%	0.20%	2.8%	3.0%	6.0%	2.4%
RRMC	Approved	-5.1%	4.9%	2.6%	2.7%	6.0%	2.2%
RRMC	Submitted	-5.1%	4.9%	3.0%	2.7%	6.0%	2.3%
SVMC	Approved	3.4%	2.9%	3.0%	2.8%	3.5%	3.1%
SVMC	Submitted	3.9%	2.9%	3.2%	2.8%	3.5%	3.3%

CAH growth

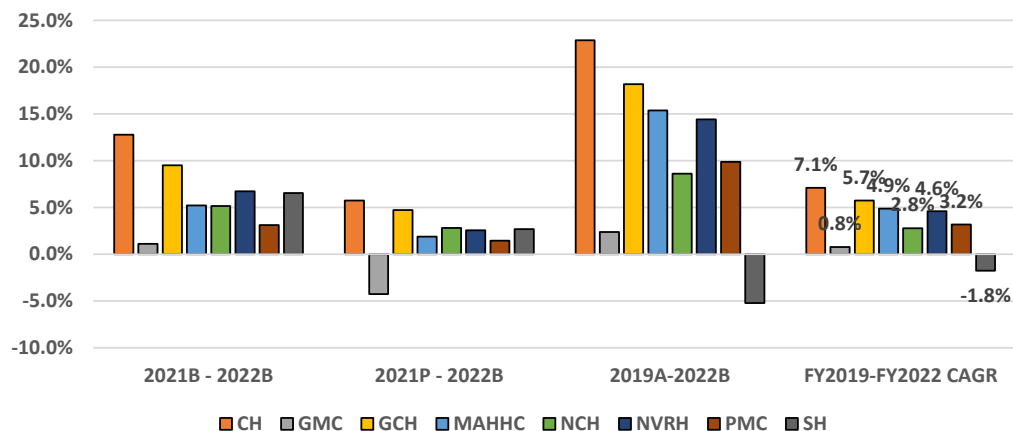
**NPR/FPP Growth
CAH**



**Operating Revenue Growth
CAH**



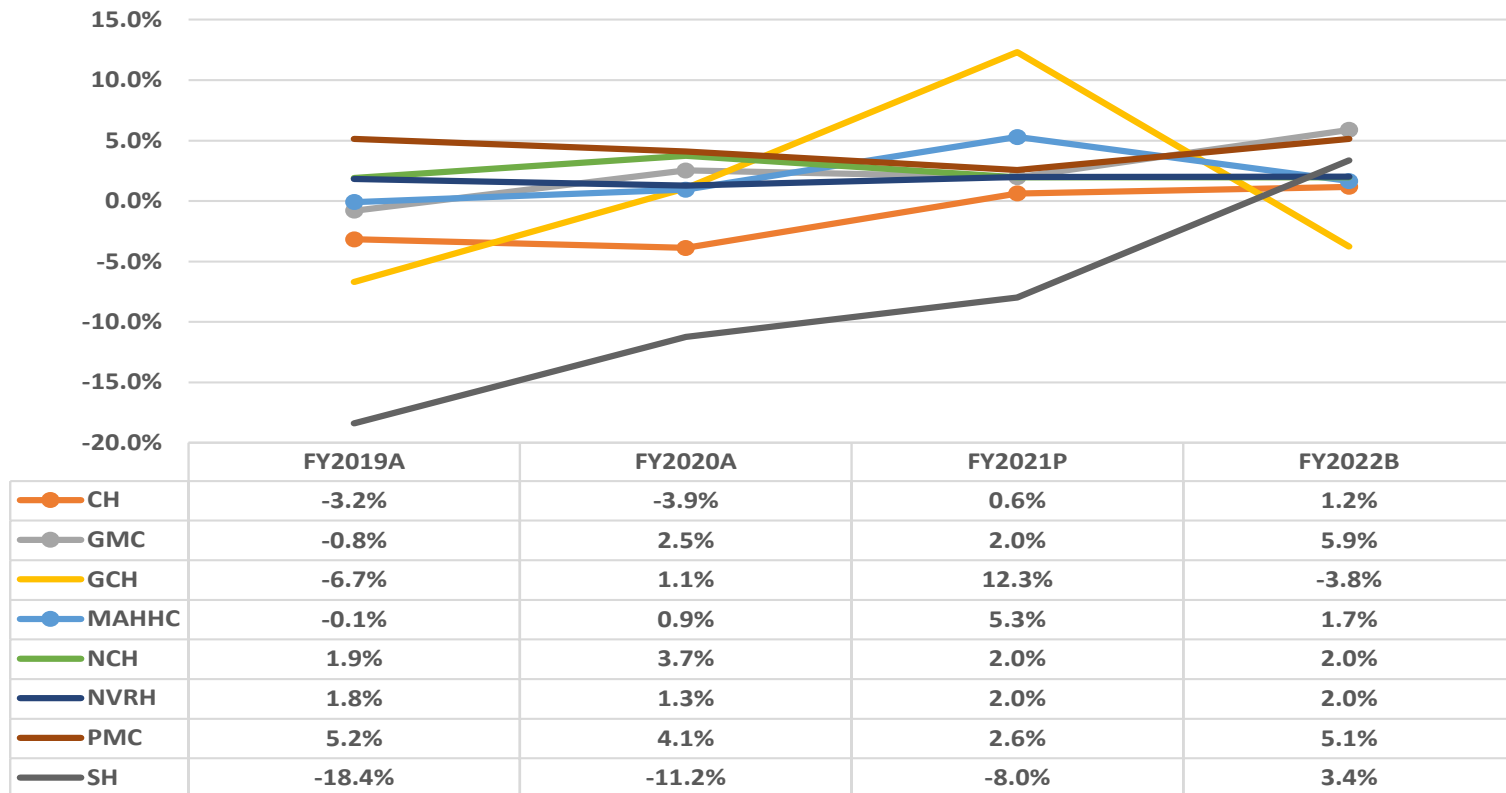
**Operating Expenses
CAH**



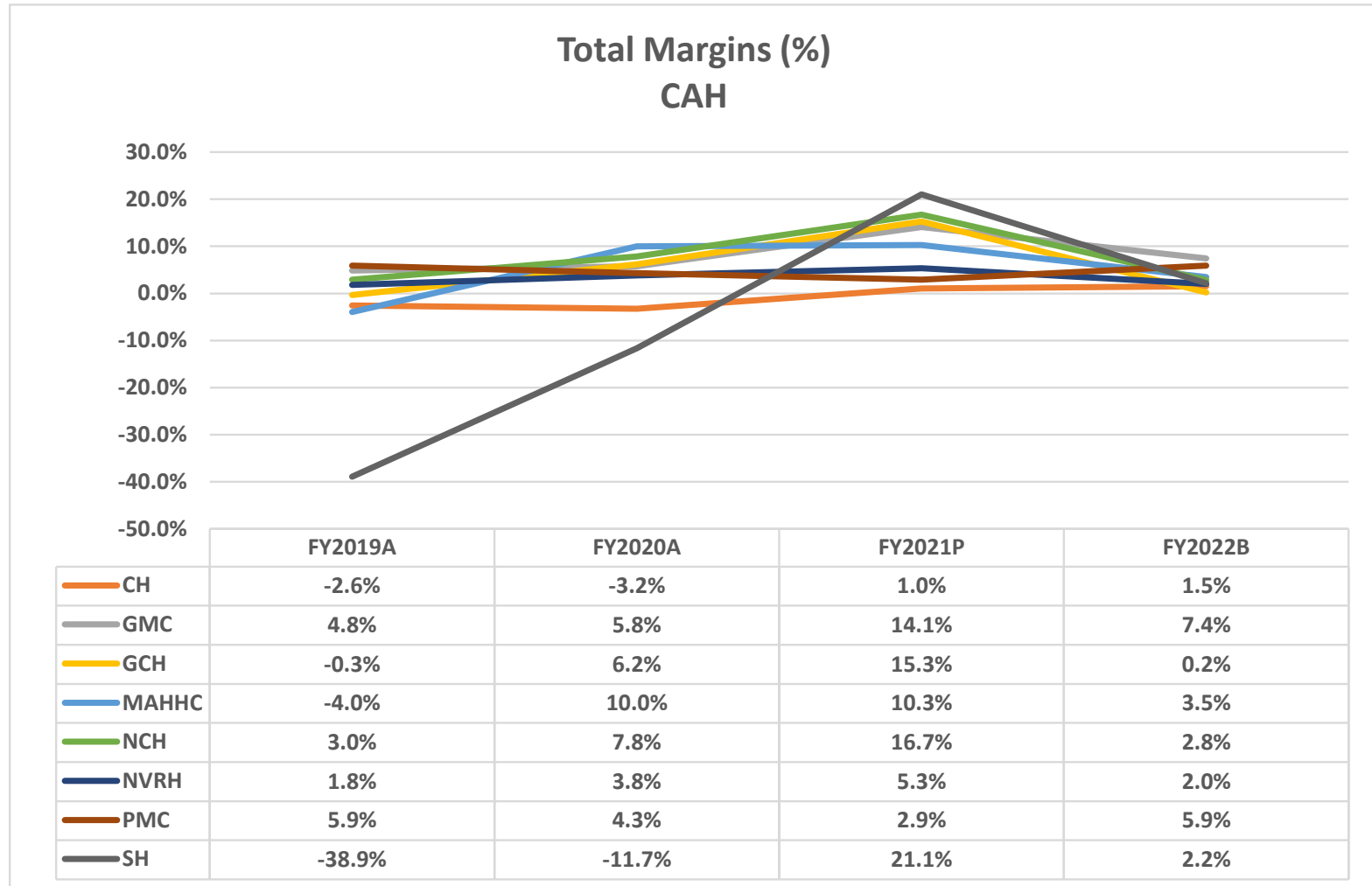
Note: This slide will change as Springfield Hospital's budget will be amended.

CAH Operating Margins (%)

Operating Margins (%)
CAH



CAH Total Margins (%)



Key Indicators

	Days Cash on Hand			Long Term Debt to Capitalization			Days Payable		
	↑			↑			↓		
	FY21B	FY21P	FY22B	FY21B	FY21P	FY22B	FY21B	FY21P	FY22B
BMH	171	176	156	11%	15%	17%	70	86	56
CVMC	108	112	110	14%	13%	9%	63	75	63
CH	71	121	44	21%	23%	21%	47	120	51
GMC	252	317	298	20%	19%	18%	64	98	70
GCH	163	219	150	16%	31%	19%	133	72	48
MAHHC	142	205	187	38%	48%	44%	77	150	107
NCH	212	328	270	24%	25%	19%	53	68	68
NVRH	111	196	143	15%	13%	11%	53	106	56
NMC	209	306	322	22%	17%	17%	75	87	89
PMC	138	152	148	17%	20%	14%	54	74	55
RRMC	218	279	255	19%	15%	14%	37	43	40
SVMC*	37	51	43	25%	18%	14%	71	79	65
SH	32	20	20	-99%	89%	80%	224	66	55
UVMMC	186	209	185	27%	27%	25%	52	71	47

↑ increasing values are favorable; ↓ decreasing values are favorable

*Southwestern's Days Cash on Hand does not consider the hospital's parent company.

Key Indicators

	Days Receivable			Debt Service Coverage Ratio		
	↓			↑		
	FY21B	FY21P	FY22B	FY21B	FY21P	FY22B
BMH	58	61	60	3.1	0.0	3.1
CVMC	35	65	39	16.0	1.0	2.4
CH	31	28	29	6.5	6.5	8.4
GMC	31	41	40	3.0	3.8	6.2
GCH	38	37	37	1.4	6.2	0.2
MAHHC	36	44	34	4.5	5.9	3.9
NCH	35	27	34	3.4	3.6	3.8
NVRH	42	41	44	5.2	4.8	5.4
NMC	39	39	39	2.1	3.7	3.6
PMC	63	59	54	27.3	6.6	10.3
RRMC	47	31	33	4.6	4.5	2.9
SVMC	38	33	34	6.6	12.5	9.3
SH	55	57	39	17.1	-1.3	2.5
UVMMC	49	58	49	7.1	3.6	3.6

↑ increasing values are favorable; ↓ decreasing values are favorable

Note: This slide will change as Springfield Hospital's budget will be amended.

Financial Metrics Key



	Vermont CAH		Vermont PPS		Flex Monitoring		Fitch Solutions	
	2021	2022	2021	2022	Northeast CAH	U.S CAH	Northern NE	Northeast
Operating Margin%	1.99%	1.80%	1.88%	1.48%	1.80%	0.70%	1.20%	0.80%
Total Margin%	12.18%	2.40%	5.10%	2.71%	3.40%	2.40%	2.00%	3.50%
DCOH	200.6	148.6	192.6	170.5	87.9	71.2	162.2	164.3
Days Payable	85.9	55.2	76.8	59.5	0	0	62.1	63.2
Days Recievable	41.3	38.2	48.2	39.2	41.2	50.5	41.1	43.1
DSCR :1	5.38	4.64	3.68	3.32	6.76	3.95	2.74	2.81
LTD to Capitalization	24%	19%	16%	16%	28%	30.0%	25.6%	34.8%
Age of Plant	16.2	15.6	15.1	15.6	14.6	12.3	12.5	12.6
VT CAH FY2022			VT PPS FY2022					
Flex Monitoring			Fitch Ratings Solutions					
Northeast CAH FY2019			Northern New England FY2019					
U.S. CAH FY2019			Northeast FY2019					

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Glossary

Critical Access Hospital: designation given to eligible rural hospitals by the Centers for Medicare and Medicaid Services. CAH designation aims to reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential services in rural areas. To accomplish this goal, CAHs receive certain benefits, such as cost-based reimbursement for Medicare services.

Prospective Payment System: A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (for example, diagnosis-related groups for inpatient hospital services).

Gross Patient Revenue: A hospital's total billed revenue for providing goods and services to patients. This is the total revenue amount billed before contractual allowances, commercial discount agreements, bad debts and free care are deducted.

Bad Debt: An expense billed and due but not received. Assumption is that individual has the ability to pay but will not pay or has disputed the bill. See free care definition that distinguishes bad debt from free care.

Free Care: Term used to recognize loss of revenue billed/due but not received. Considered "free" because individual has limited or no ability to pay, as established by the hospital or other provider. .

Net Patient Revenue (NPR): Revenue a hospital will receive for services rendered. It is the amount resulting after contractual allowances, commercial discounts, bad debt and free care are deducted from gross charges.

Fixed Prospective Payment (FPP): fixed payments from the ACO that cover the cost of medical care provided to lives attributed to the ACO, net of value-based incentive program deductions. Participation fees are recorded in Operating Expenses.

Other Operating Revenue (OOR): Revenue earned by hospital that is indirectly related to patient care. Examples: income from cafeteria, parking, physician office rentals, etc.

Total Operating Revenue: $\text{NPR} + \text{FPP} + \text{Other Operating Revenue}$

Operating Expenses: All input costs required to provide goods and services to patients. This includes salaries, fringes, insurance, professional fees, depreciation, interest, etc.

Operating Surplus: (sometimes called Operating Margin or Profit) Operating revenues (NPR/FPP + Other Operating Revenue) less Operating expenses resulting in profit or surplus.

Non-Operating Revenue: Revenue earned by hospital that is not related to patient care. Examples: income from investments, investment unrealized gains/losses, general contributions, gain/loss from assets, rentals, and transfers from related organizations,

Total Margin: Excess (Deficit) of All Revenues over Expenses

Glossary: Metrics



Operating Margin %: $\text{Operating Surplus} / (\text{NPR} + \text{FPP} + \text{Other Operating Revenue})$

Total Margin %: $(\text{Operating Surplus} + \text{Non-Operating Revenues}) / (\text{NPR} + \text{FPP} + \text{Other Operating Revenue} + \text{Non-Operating Revenue})$

Days Cash on Hand (DCOH): $(\text{Cash} + \text{Investments} + \text{Unrestricted Funded Depreciation (Board Designated Assets)} + \text{Unrestricted Other Board Designated Assets}) * 365 / (\text{Total expense} - (\text{Depreciation} + \text{Amortization}))$

Days Payable: $\text{Current Liabilities} / (\text{Total Expenses} - (\text{Depreciation} + \text{Amortization} + \text{Interest}))$

Days Receivable: $\text{Net Patient Accounts Receivable} / \text{NPR} * 365$

Debt Service Coverage Ratio (DSCR): $(\text{Net Operating Income} + \text{Depreciation} + \text{Amortization} + \text{Interest}) / (\text{Current Portion of Long Term Debt} + \text{Interest})$

Long-Term Debt to Capitalization % : measures the percentage of total capital that is debt. $\text{Long Term Debt} / (\text{Long Term Debt} + \text{Net Assets})$

Average Age of Plant: measures the average age in years of the fixed assets of an organization. $\text{Accumulated Depreciation} / \text{Depreciation Expense} * (365/\text{days in period})$

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